

# The NATIONAL UNDERWRITER

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## Working Program To Feature Annual Convention Of LIA

**An Entire Session Will  
Be Devoted To Symposium On  
Competition For Manpower**

NEW YORK—A "working" program placing emphasis on important questions currently confronting life insurance, plus a roster of prominent speakers from outside the business, will be the pattern for the annual meeting of the Insurance Assn. of America, at the Waldorf-Astoria, New York City Wednesday and Thursday, Dec. 14-15. An entire session will be devoted to a symposium on competition for manpower. The implications of the November elections from the life insurance viewpoint will be discussed. There will be an address on pensions by a noted authority on the subject and a discussion of current life insurance problems. There also will be reports on life insurance investment experience in 1960, life insurance in force, new business and disbursements to policyholders and beneficiaries.

### Insurance Speakers Listed

Leaders from outside the life insurance business who are scheduled to speak include Wernher von Braun, director of the development operations division of the army ballistic missile agency, Thomas J. Watson Jr., president of International Business Machines Corp., Dan McGill, professor of insurance at the Wharton School of University of Pennsylvania, and John Mayer, president of the Mellon National Bank & Trust Co., Pittsburgh. The meeting will open on the morning of Dec. 14 with an address by Eugene C. Davis, president of the association and of National Life of Vermont. Eugene M. Thore, vice-president and general counsel of LIA, who heads the Washington office, will appraise November election results from standpoint of life insurance and attempt to forecast what may be in store for the business. Mr. Watson will be the luncheon speaker on Wednesday. He will discuss business morality.

### Manpower Symposium Dec. 14

The afternoon session will be given over to the symposium on competition for manpower. The participants will be Mayer, David E. Kilgour, president of Great-West Life, and Abram Elmer, vice-president and general counsel of John Hancock.

The session Thursday morning will open with Prof. McGill's talk on pensions. Following this there will be a general discussion of current life insurance problems.

Mr. von Braun will be the Thursday luncheon speaker. His topic is "Why We Conquer Space?" J. Faulkner, president of Wood-Cliff Accident & Life, is chairman of the program committee.

## SEC Asks NAIC Aid On Security-Like Policies

NEW YORK—Securities & Exchange Commission would very much like to have the cooperation of National Assn. of Insurance Commissioners in regulating life insurance policies that provide, along with conventional life and endowment coverage, an added attraction, such as participation in a stock fund, according to Harold C. Lohren, SEC's variable annuity expert.

Addressing, at his own request, the life committee meeting of NAIC during the annual convention of the commissioners here, Mr. Lohren emphatically disclaimed any desire to expand the commission's field of operation into life insurance, but said it was clear that these additional features are securities under the Securities and Exchange Act and that in offering them the companies are acting as investment companies within the definition of the Investment Companies Act of 1940.

Calling these contracts "an increasingly troublesome problem," he said they combine conventional life insurance with a "built-in pie-in-the-sky" feature. There is ordinarily no guarantee, as with the insurance portion.

"It is nothing more or less than a participation in a profit-sharing arrangement," he said.

Without the slightest desire to invade insurance territory, the SEC nevertheless feels it has an area of responsibility with these contracts that it cannot overlook. Complaints come in that promises were made and not kept.

"I think this is a joint problem of the Securities & Exchange Commission

and the National Assn. of Insurance Commissioners," he declared. "My chief function in coming here is to ask for your cooperation so that we can do, with our small staff, what we were set up to do; that is, regulate securities and not a facet of the life insurance business.

Discussing some of the problems connected with the SEC's regulation of variable annuities, Mr. Lohren expressed the opinion that a segregated equity fund within a life company to provide group pensions with some variable-annuity features is subject to SEC regulation under the Investment Company Act.

## Chicago Mail Order House Planning To Enter Life Business

Aldens Inc., Chicago mail order house, is planning to enter the life insurance business through a wholly-owned subsidiary. Coverage will be offered to mail order customers, and the company hopes to begin operations concurrently with issuance of its 1961 fall catalog.

The insurance subsidiary is expected to be capitalized at about \$500,000, according to R. W. Jackson, president of Aldens. Although sales will initially be limited to ordinary life, other types of coverage, including health, may be offered in the future. All business will be written through mail purchases. However, Mr. Jackson indicated that the insurer may sell through Aldens' order offices after a following is established.

Aldens would be the third mail order house to write life. The other two are Sears, Roebuck, principally through Allstate Life, and National Bellas Hess. Aldens, which has four million customers, is the fourth largest mail order distributor in the U. S.

## Alabama's 61% Gain In Oct. Ordinary Sales Leads States

Alabama led the other states in percentage increase in October ordinary sales, with Nevada placing second and Wyoming taking third place, according to LIAMA. The percentage gains for the three states were 61%, 16% and 12%, respectively.

Hawaii led the states with a percentage increase of 21% in the first 10 months of 1960. In second was Nevada, up 16%, and third place winner was Alabama with a gain of 12%.

### St. Louis Health Assn. To Meet

St. Louis Assn. of A&H Underwriters will hear Jack E. Rawles, 2nd vice-president and agencies manager Lincoln National, at the Dec. 5 meeting.

## Gerber Committee Report Big Event Of NAIC Meeting

**Action On Several Fronts  
At New York Despite  
Presence Of Lame Ducks**

By JOHN BURRIDGE

NEW YORK—This is supposed to be a "lame duck" session of National Assn. of Insurance Commissioners, but it gives every indication of being one of the most productive in some time. The big thing is the Gerber subcommittee report, which turned out to be rather a masterpiece of strategy—offering recommendations for changes in the specific areas the subcommittee originally said it was going to study, while garnering on the way the NAIC plan for a complete overhaul of rating laws and picking up this week the National Board's significant agreement to a set of principles for rating which include no prior approval and freedom for deviations.

At the same time, another Gerber subcommittee—on credit life and credit A&H model bill legislation—perfected its work, submitting revisions to the model bill. The parent committee on insurance on installment sales and loans adopted this report Tuesday morning without a word of dissent from the floor. Chairman Larson of Florida commented with a smile that over the years he had watched the development of this bill (and it was accompanied by some of the most wide open debating of the past five or six years). (CONTINUED ON PAGE 21)



John A. Diemand, president of Life of North America, right, receives the Philadelphia Chamber of Commerce William Penn award, given annually to "an outstanding American who has made a major contribution to the advancement and welfare of business in the nation during the preceding year." Presenting the award is Frederic A. Potts, president of the Philadelphia National Bank and chairman of the award committee, and looking on is Gordon E. Chelf, chairman of the award dinner committee.

## DROPS OTHER ACTIVITIES

## Marsh Giving Full Time To Variable Annuity Life Co.

WASHINGTON—John D. Marsh, for 22½ years general agent here for Lincoln National Life, has resigned as general agent and sold his interests in his estate planning, general insurance and investment securities firms to his employees and associates in order to devote his full time to Variable Annuity Life, which he founded here in 1955 and of which he is president, chief executive officer, and a substantial stockholder.

In addition to frequently being Lincoln National's leading general agent, and, in 1941, winning the company's most valuable representative award, Mr. Marsh owned and headed J. D. Marsh & Associates, specialists in estate and financial planning; Riviere, Marsh & Co., investment securities firm, and Russell, Marsh & Kennedy, general insurance agency.

### Attained Widespread Recognition

Mr. Marsh's estate planning firm has attained widespread recognition, and was written up in *Fortune* and *Financial World* magazines. Mr. Marsh has been president of the District of Columbia life underwriters and life managers associations, vice-president of National Assn. of Life Underwriters, chairman of the General Agents & Managers Conference of NALU and a member of the insurance committee of the U. S. Chamber of Commerce. He is a life member of the Million Dollar Round Table.

Mr. Marsh has long been an advocate of the use of equities in the life insurance business and his conviction was back of his formation of Variable Annuity Life. In August the company completed a \$12 million public underwriting, which Mr. Marsh believes to be a record for underwriting by a commercial life insurance company.

### Other Executives Listed

Besides Mr. Marsh, the company's executives include Page Hufty, Florida financier, who is executive committee chairman; Grinnell Morris, senior vice-president of the Hanover Bank of New York, the life company's finance committee chairman; Arthur L. Blakeslee III, vice-president in charge of administration, and Roy W. Aikman, actuary.

## Winners In American Life President's Month Named

American Life of New York's top general agent in the third annual president's month sales campaign was Selig Victor, with over \$1 million in applied for business for the 30-day period. The Horacek agency, David City, Neb., led the basic agent field. Terry S. Moores, St. Paul, was the top special class general agent.

Thomas D. Bellinger, New York City metropolitan branch office, was winning life superintendent, while the Omaha branch office under Clarence F. Krantz, manager, was the leading special class branch office.

# Manpower Squeeze Is Studied By LIAMA Panel

A three-way manpower squeeze is ahead in the recruiting of life agents

in the next decade, according to S. Rains Wallace, LIAMA director of research, who led off a panel on the manpower problem at the recent annual meeting of LIAMA at Chicago.

Reasons for the squeeze:

—The demand for highly capable, well trained manpower will increase in the U.S. economy as the electronic-automation age gets moving into high gear.

—The increasing complexity of life insurance will demand that new agents be recruited from the high-quality level of the population.

—The proportion of men at their most productive age period (25-44) will be reaching an all-time low in the population.

### Cites 10-Year Survey Results

Discussing some of the results obtained in a 10-year survey LIAMA has been conducting among a group of its member companies on the characteristics of ordinary agents, Mr. Wallace took up these questions:

1. What is the trend in recruiting? Over a 10-year period, it is a booming one. In 1951, 46 U.S. ordinary companies in the LIAMA study recruited

4,069 full-time agents and in 1958 the all-time peak of 9,974 was reached. There was a drop to 8,947 in 1959 but it should come back to about 9,400 for 1960. The Canadian trend has been about the same: the 1958 peak was 2,666, dropping to 2,275 in 1959 and probably reaching the 1958 figure this year.

2. What kind of men are being recruited? There is a trend toward younger men with somewhat less education. In 1952, only 49% of the men contracted were under age 30, 75% had attended college and 46% were college graduates. In 1959, 56% were younger than 30, while 71% had attended college and 41% had graduated.

3. Where are the men being obtained? Of the inexperienced men contracted in the U.S., 47% said on the Aptitude Index that they were originally contacted by a member of the agency. Sixteen percent came from newspaper ads and for 4% the contact was made through a mutual acquaintance. But companies differ widely in percentages obtained from all these areas. The companies don't necessarily recruit from the same labor market or in the same way.

4. What were the new men recruited with? Mostly with financing. In 1952, about 70% were financed under company plans and in 1959 this had become about 80% for all sizes of companies. The Canadian figures are 87% and 93%. More men are being financed, and for more money. In 1952, the average monthly advance in the U.S. was close to \$300 a month. In 1956

(CONTINUED ON PAGE 19)



S. Rains Wallace

## REMINDER FROM CHAIRMAN

## First-Time MDRTers Must Use New Form For Volume Credits

The Million Dollar Round Table new volume credit record form is mandatory for all first-time applicants for the 1961 Round Table and while it is optional for re-qualifiers, MDRT Chairman James B. Irvine Jr. in his first letter to present and prospective members urges all applicants to use the new form.



James B. Irvine Jr.

Applicants using the form should record separately for each company their 1960 business claimed for MDRT credit and forward them with certifying letters to the respective home offices. Mr. Irvine, who is general agent at Chattanooga, Tenn., for National Life of Vermont, pointed out that the procedure is necessary if the volume credit record is to fulfill its dual purpose of helping the agent record his MDRT volume credits and expediting the certification of volume credits to the home offices. Home offices have been asked to forward the supporting volume credit record forms, along with completed certifying letters, to the MDRT headquarters at 36 South Wabash Avenue, Chicago.

Mr. Irvine said the MDRT office is ready to receive and process applications for the 1961 Round Table.

In addition to committee appointments announced earlier, Mr. Irvine said Robert S. Albritton, Provident Mutual, Los Angeles, immediate past chairman of the MDRT, will be chairman of the budget committee, Joseph H. Reese Jr., Penn Mutual, Jenkintown, Pa., will head the qualification procedure committee, William D. Davidson, Equitable Society, Chicago, will again be chairman of the resolutions committee and Robert P. Burroughs, National Life of Vermont, Manchester, N. H., will head the past chairmen's committee, which serves as an advisory body to the executive committee.

Alfred J. Lewallen, Mutual Benefit Life, Miami, newest member of the executive committee, will head the annual meeting committee, which is responsible for all activities pertaining to the 1961 annual meeting other than the program.

## Occidental Of Cal. Plans Rose Bowl Float

Occidental Life of California will enter this year's Tournament of Roses parade with a float entitled "Lady of Spain" and a record of having won three of the last five grand prizes.

## Chairman Jackson Quits Texas Board

Penn J. Jackson, chairman of the Texas insurance board, since its reorganization in 1957, has resigned to accept an appointment by Gov. Daniel to the district court bench which he vacated when he took the insurance post.

In his letter of resignation, Judge Jackson said that the task of helping to improve insurance regulation in Texas "has been largely accomplished. It was not my purpose to remain at this post any longer than necessary."

Prior to heading the board, he had practiced law in Cleburne since 1924. He had been county attorney and district attorney before being elected district judge.

## Baton Rouge Agents Hear Craig, V-P Of Ga. International Life

Wylie Craig, vice-president of Georgia International Life, who was the speaker at a meeting of Baton Rouge Life Underwriters Assn., said, "The things that really sell life insurance are simple, fundamental concepts—ideas, beliefs—presented by salesmen who believe them completely and who can transmit them clearly, quickly and confidently."

The speech, titled "The Shortest Distance," discussed important factors in planning and sales techniques.

The 1961 parade theme is "Ballads in Blossoms," and Occidental's float characterizes the song "Lady of Spain." Miss Margarethe Bertelson, the 1960 Rose Queen, will ride the float—a tradition with the company, which honors the immediate past Rose Queen by inviting her to ride its float.

This year's float, designed and built by Mrs. Isabella Coleman—called "Mrs. Rose Parade" in Pasadena—who also built the company's other five floats, measures 55 feet in length and features a fan 16 feet high and 17 feet wide positioned at the rear as a backdrop for Miss Bertelson. Welded framework construction, which is nearly complete, will be sprayed with a plastic foam on which will be more than 300,000 blossoms—glued on by nearly 100 workers, who start decorating 48 hours before parade time.

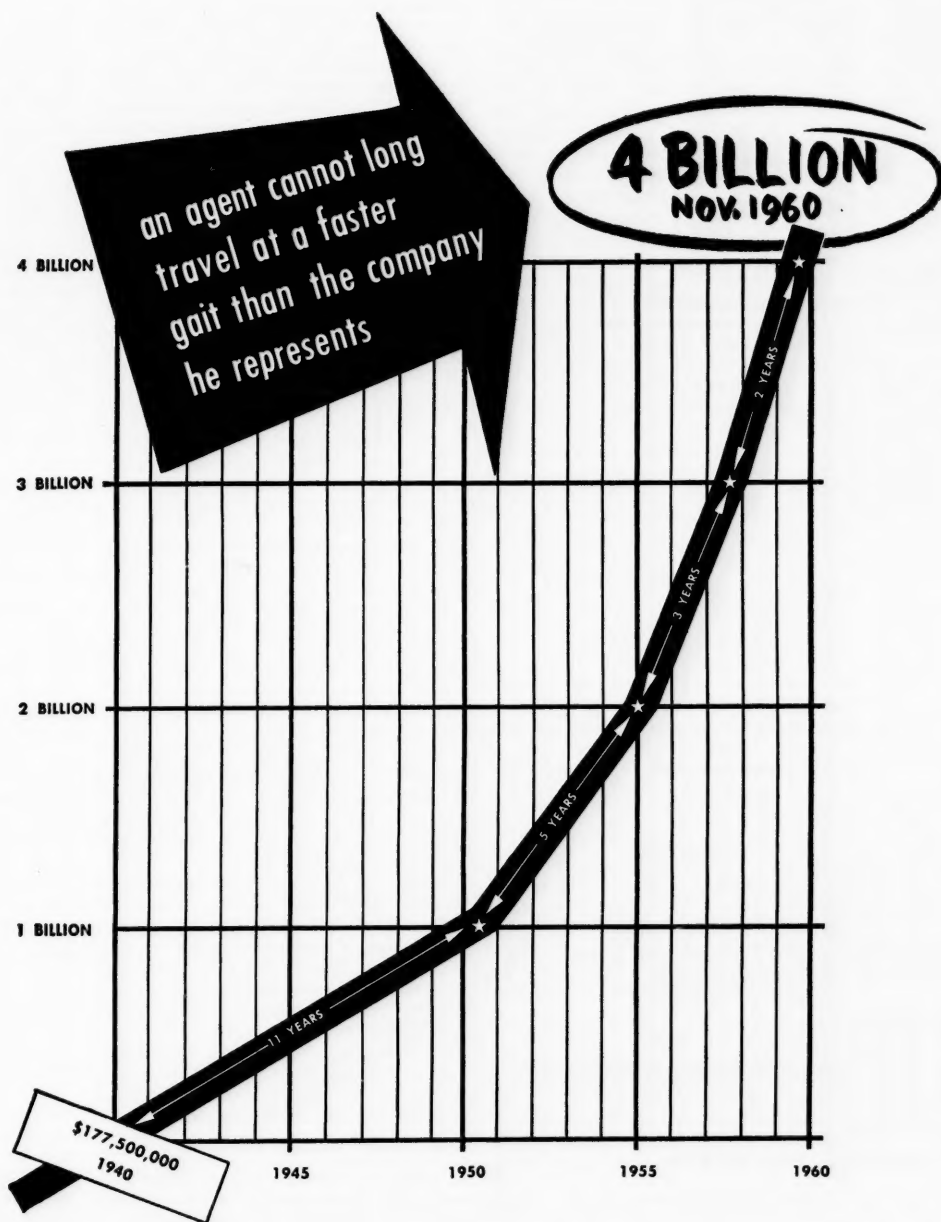
Discussing Occidental Life of California's Tournament of Roses parade float, "Lady of Spain," are, from left, Mrs. Isabella Coleman, designer and builder; President Horace W. Brower, and Miss Margarethe Bertelson, the 1960 Rose Queen who will ride the float.





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## Passe Club Meets Under New Officers, Membership Growing

Passe Club International, the organization of ex-commissioners, the club which requires that in order to get in the applicant has to lose, conducted its annual meeting in New York this week in its tradition of quality food and unrestrained spoofing. It was the first time the new officers—John Lloyd of Union Central Life, president, and J. R. Maloney, San Francisco attorney, secretary—had charge of the affair. They did a creditable job, changing the format a little so as not to try to compete with their predecessors, Howard Brace and M. J. Harrison. Mr. Brace was on hand and had a seat at the head table. Mr. Harrison, however, was unable to attend, and he was sent a prepaid telegram of good wishes.

Others at the head table included R. Leighton Foster of Canadian Life Officers Assn., commissioner of Toronto in 1924 and now about to retire; John Barry of Corroon & Reynolds, chairman of arrangements for the meeting, and Sam N. Beery of Colorado, president of NAIC.

Mr. Maloney reported that membership during the year increased with the addition of David Irons and Joe Gibbs of Texas; Cad Thurman of Kentucky; Lee Kelly of South Carolina; Alden Palmer of Indiana, and Robert Adams of Wyoming. Three pledges are certain: Billy Sullivan of Washington; Carl Hulbert of Utah, and Frank Blackford of Michigan. The elections have created a good reservoir of potential new mem-

(CONTINUED ON PAGE 22)

## No Chance Of Congress Acting On Keogh Bill Seen Until 1962

While chances are excellent that the Keogh bill giving the self-employed a tax break will be revived, there's little chance that Congress will act on it until January, 1962, at the earliest, said W. Lee Shield, executive vice-president of American Life Convention, in a panel discussion at the recent LIAMA meeting in Chicago.



John Barker Jr.

The panel, moderated by John Barker Jr., vice-president of New England Life, discussed various Washington trends of life insurance interest.

The likelihood that action will be deferred for another year is due to the various views on the course that should be followed and in particular the Treasury effort to get employees of the self-employed covered and include restrictions on closed corporation qualified pension plans in the same measure with the Keogh type of legislation. All this will necessitate hearings and discussions and the consequent using up of time.

Asked whether a group annuity would have an edge over individual life insurance policies under Keogh-type legislation, Eugene M. Thore, vice-president and general counsel of Life Insurance Assn. of America said it would. For one thing, an individual

life insurance policy would have to be trusted. A group annuity would not.

Also, there is a slight cost advantage in a group annuity. Another thing is that the tax-free deduction available to a self-employed person could be expected to fluctuate with his annual income. This would be a disadvantage with an individual insurance policy, though it might be possible to devise a contract that could accommodate itself to fluctuations in income.

### Might Broaden Limits' Scope

Mr. Shield brought out the point that the amount available to the self-employed person is limited, so if a corresponding limit is put on a small corporation's plan, how would it be possible to avoid a limit on the large corporation's plan? This is a problem, he said, that will have to be faced up to before the end of this Congress.

R. Leighton Foster, managing director Canadian Life Insurance Officers Assn., told of the experience with a similar measure in Canada. He said it had not proved popular, because the average citizen is unwilling to have his money tied up as the law requires.

Mr. Thore compared the present tax basis for life companies with past bases and said that while burdensome it at least got the industry out of the much worse 1942 basis and brought a permanent law that should continue in effect for a long time to come.

There was a question about the proposed Treasury regulation holding that deposit administration annuity reserves are not life insurance reserves. He opined that the Treasury will reverse itself on this point.

Robert R. Neal, general manager of Health Insurance Assn., discussed the probable effects of the election on the future of measures of the Forand type to get health care for the aged into the social security law. He said it was too soon after election to tell what was likely to happen. While the new president may feel he has a mandate for a Forand type law, it certainly could not be called a mandate from a large majority of the people.

### Must Make Good On Promises

Congress will be fundamentally conservative. However, the administration may be expected to take action to make good on campaign pledges and to "get the camel's nose into the tent."

Mr. Neal warned against concluding that there is no use continuing to fight, because if the industry doesn't keep on fighting there will be no doubt about the outcome. He said if the first 100 days of Congress can be gotten through, there should be no serious trouble until the next biennial elections.

W. Douglas Bell, managing director of the Canadian Health Insurance Assn., reviewed the health insurance situation in Canada, particularly the experience in provinces with state health insurance plans.

## Lincoln Natl. Life Has Good Nine Months

During the first nine months of 1960, Lincoln National Life showed an increase of 16% in new paid-for business over the corresponding figure for 1959. Paid-for business during the first nine months of this year amounted to \$1,235,000,000.

## HIA Speaker Sees Increase In Length Of Hospital Stay

The average length of hospital stay will increase rapidly, Dr. Clement Martin, medical director of Continental Casualty, predicted at the individual forum of Health Insurance Assn. of Chicago. In a talk entitled "Medical Developments Affecting Morbidity," he said the average length of hospital stay declined from 9.1 days in 1947 to 7.6 days in 1958; however, "we have seen the bottom of admissions caused by infections responsive to the 'wonder' anti-microbial drugs."

Looking to the future, Dr. Martin declared: "New discoveries of medicine will give hospital care and curative hope to diseases which are undiagnosed, unnamed and untreatable. These facts alone will cause the length of hospital stay to increase in the next 12 years as rapidly as the have decreased in the past 12."

He said an entirely new method of cancer treatment—chemotherapy—becoming available, and reported that "over a quarter of a million chemicals have been and are being checked for their use against cancer."

### A 'Particular Cancer'

"One particular cancer" has already been discovered to be completely curable by a specific drug, he said, adding that "other cancers will also be curable with a variety of chemical agents."

Pneumonia is far less a cause of morbidity than it was in the past. He said that in many pneumonia cases were hospitalization is not a "necessary part of treatment."

Dr. Martin said that disability was decreasing both in terms of time and degree. "I feel," he stated, "that disability will decrease as much in the next 50 years as mortality decreased in the past 60 years."

### Birth Rate Declining

He reported that another fact must be reckoned with "in our business future (is) the birth rate in the United States is on the decline as the marriage rate."

From this he concluded that "the composition of our population will be higher in those in the earning years and less in the younger age groups than previous predictions told us. This will not make our job more or less difficult but it will require that we keep our vision continually current and alert to population changes, need changes, and medical care changes."

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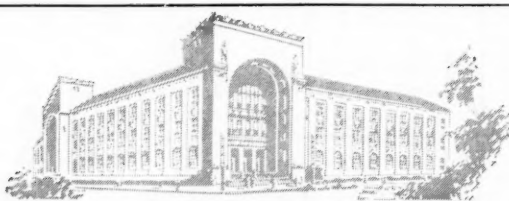
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# Ideas Given On How To Liven Up Conventions

Fresh themes being used by companies to make their conventions more lively, businesslike and productive were presented by LIAMA staff members in a skit at the LIAMA annual meeting in Chicago. It was given as a re-creation of a "brainstorming" session held at LIAMA headquarters.

In the cast were Lewis W. S. Chapman, director of company relations, Donald Bramley, director of managerial training, William O. Cummings, director of executive training, and Senior Consultants Richard N. Boulton and E. B. Pelton. The skit was written by James L. Howard Jr., staff editor.

**'Production Tree' Demonstrated**  
A "production tree," developed by a member company, was demonstrated on stage. This cardboard tree was built with the K-A-S-H acronym (knowledge, attitude, skills, habits) as the roots and a variant of the P-E-S-S acronym (prospecting, enthusiasm, selling, organization and self-improvement) as the branches.

The LIAMA staff members told how the production tree theme was tied into all other aspects of the convention to make it a memorable one. Other visual aids were demonstrated, including a hour-glass used by another company, a jigsaw puzzle of a brief-case showing the various areas of an agent's life and work, and a calendar as a basic "prop."

**Pros And Cons Of Plays Listed**  
The staff emphasized that there are many ways besides straight visualizing to put a point across, and cited the pros and cons of plays used by many companies. The advantages of plays were listed: They are novel, different and memorable. However, a company can overboard on a play and spend so much time and money on the dramatic that the point somehow gets lost in the shuffle.

It was recalled that several companies had reported to LIAMA that, in spite of being amateur productions, their plays and other dramatic bits were well accepted by the agents, it being understood that the performers and more insurance men, not actors.

**Panels Extremely Popular**  
The tremendous appeal of panel discussions, whether put on by agents, managers or home office executives, was brought out. One company finds agents prefer the panel approach, with many specifics, to formal speeches "Here's How I Did It."

An executive was quoted as saying, "I like the panel idea because three or four individuals, working independently, will bring in many excellent points without repetition. Proof of the pudding is that our panels of agents and managers have always been the highlights of every program we have had."

Speakers from outside the business, such as ministers and executives, were rated high in preference with companies as convention speakers. One company reported, "We are having considerable success spending less money for entertainment and more

money for what we believe to be top speakers."

The panel mentioned an LIAMA company practices study showing that although most companies have increased their qualification requirements since 1951, the percentage of men qualifying for conventions has not dropped significantly. Other topics discussed included how to emphasize quality business through convention qualifications; how to deal with "old-timers," and how to motivate agents through progress reports.

Methods of discouraging post-convention slumps were discussed, for example, a post-convention contest with a prize for the winners' wives.

An LIAMA report covering the experience of 55 companies in selecting good spots for their conventions was discussed. This report includes geographical breakdown of more than 400 hotels and the companies that have

held conventions in them in recent years. It was pointed out that this report can help a company get some ideas on new and different places. Those planning conventions can then write to the companies that have used the hotels to inquire about their experience.

## Rules For Planning Meetings

In stressing the importance of planning every detail about a convention, the performers gave five rules: put everything in writing; have one person in complete charge; keep the communications lines open; have a timetable of advance arrangements, convention arrangements and post-convention arrangements; double-check on everything.

In closing the presentation, Mr. Chapman said, "It seems to me that we have a positive obligation to our companies, to our policy-owners and to the general public to keep the standards of our conventions high. We have too much serious business to be done to allow our conventions to deteriorate to the low caliber of those of some other industries."

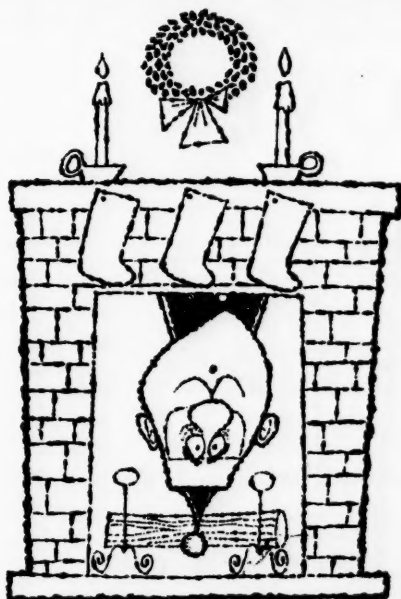
## Day Of Life Insurance General Practitioner Disappearing: Blumberg

The day of the life insurance general practitioner is rapidly disappearing, David M. Blumberg, general agent of Massachusetts Mutual at Knoxville, Tenn., told members of Minneapolis Assn. of Life Underwriters.

"It is becoming almost impossible to do one-stop selling of life, accident and health and general insurance and still do an adequate job for clients," Mr. Blumberg, who is also secretary of NALU said.

Health insurance is becoming a major field by itself and must be thoroughly studied, he declared. Intricacies of the laws, estate planning and business insurance also force successful agents into a continuous program of study.

"We tell our new men that they are independent operators," he said, "but the trouble is many of them want security, not independence. The idea of being their own boss frightens many prospects."



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AND ACCIDENT  
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## Chicago A&H Assn. Given Health Care Legislation View

The outlook for health care legislation in view of election results was presented by James E. Barrett, vice-president at Washington, D.C. of Mutual Benefit H&A., at the November meeting of Chicago A&H Assn.

Mr. Barrett noted the slim majority received by President-elect Kennedy and the slightly more conservative

make-up of Congress as a result of small Republican gains in both houses. Because of this, he opined, Forand-type legislation will meet with considerable resistance.

He predicted that Mr. Kennedy will recognize this and probably will not put so much emphasis on Forand-type legislation as his commitments had indicated during the campaign.

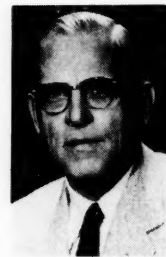
Mr. Barrett also observed that there is no more party line distinction in politics. Legislators are either liberal or conservative and these groups cross party lines.

Discussing the misapplication of the social security principle, he cited Benjamin Fairless, retired chairman of U. S. Steel, as one who is collecting this year as much in social security benefits as an average family would pay in income taxes per annum.

Mr. Barrett also touched upon the disclosure of need requirement in the Mills-Kerr-Frear act, and he contended that this requirement was not unreasonable. Those who object to the means test do not find it unreasonable when the government requires veterans applying for GI loans to prove that they did spend some time in the service, he remarked.

## Consulting Actuaries Name Taylor President At Chicago Annual

Conference of Actuaries in Public Practice at the two-day annual meeting in Chicago heard a number of papers, held panel sessions, adopted a 14-point code of ethics and elected Harmon R. Taylor of Cedar Rapids, Ia., president to succeed A. M. Haight of Haight, Davis & Haight, Omaha.



Harmon Taylor

Four vice-presidents were also named: George B. Buck Jr., New York City; W. E. Groves, New Orleans; H. Raymond Strong, Dallas, and Frank E. Gerry, Springdale, Conn. Edward D. Brown Jr. was elected secretary and Harry S. Tressel, treasurer, both of Chicago. Directors for three-year terms are Russell R. Reagh, Chicago, and Messrs. Buck, Strong and Gerry.

### Phase III Paper

In a paper on Phase III of the life insurance company income tax act of 1959, E. G. Hearn, tax department manager Joseph Froggatt & Co., said the greatest single incidence of this tax will be upon cash dividends to stockholders. Certainly, before declaring a dividend, the company should review the statutory provisions to ascertain the effect of the distribution on Phase III, he advised.

Perhaps the companies most vulnerable to "surprise" are those that find themselves on the borderline of classification as a life insurance company, he declared. Any company in this position should seriously study the entire area of Phase III in order to remove the element of surprise and, through careful planning, possibly avoid the incurrance of the tax at a premature date.

Messrs. Bruce and Taylor moderated a panel on problems of life insurers which covered subjects suggested by the membership during the year. There was general agreement that the extent of federal health care for the aged would eventually be increased. According to several speakers, the alternative solution of more and better coverage for the aged on the part of private insurers and service plans has had varying success, one speaker citing the over-65 program of Michigan Blue Cross-Blue Shield.

It was pointed out that following a month-long campaign to enroll the over-65 group on an individual basis, the result was but 7,000 enrollments. This contrasts with the efforts of Fireman's Fund in California, where an intensive drive netted some 20,000 enrollments. Other insurers in this field have also experienced similar wide

## Great-West Life Names Morrison Executive V-P

J. E. Morrison, formerly vice-president and actuary, has been appointed to the newly-created position of executive vice-president by Great-West Life.

Mr. Morrison has been with Great-West Life since 1932, mainly in the actuarial and underwriting divisions. He has held executive responsibility for underwriting since 1947, and in 1952 he assumed responsibility for the actuarial function as well, when he was appointed assistant general manager and actuary. In 1958, he was appointed vice-president and actuary. In his new role, he will devote his time to over-all planning and coordination of the company's rapidly-expanding operations.

A. E. Loadman, will take over Mr. Morrison's former responsibilities and becomes a senior executive officer of the company. Mr. Loadman joined Great-West Life in 1931. He was assistant secretary from 1936 to 1952 when he became an associate actuary, and was appointed actuary in 1959.



J. E. Morrison

## Chicago Life Agents To Hear Gravengaard

H. P. Gravengaard, vice-president National Underwriter Co., and executive editor Diamond Life Bulletins, will address a breakfast meeting of Chicago Assn. of Life Underwriters, Dec. 13 at the Midland Hotel, on "Ideas That Sell Business Insurance."

William L. McKechney, Northwestern Mutual and 1st vice-president of the Chicago association, is program chairman. Announcement of the meeting has also been sent to members of Chicago Life Insurance & Trust Council.

## Minneapolis CLUs Conduct Panel

Capital gains through business insurance was the topic of a panel discussion sponsored by the Minneapolis chapter of Society of CLU as part of the University of Minnesota business school alumni institute. Oren Robb was moderator and panel members were Miles W. McNally, Massachusetts Mutual Life; Lyn E. Elling, Lincoln National; and Hal S. McIntyre, Northwestern Mutual.

fluctuations in enrolling individuals their respective plans, it was noted.

On adjusting pensions to meet inflation, A. M. Niesen, chief actuary Railroad Retirement Board, gave numerical examples of the effect of assumed rates of inflation. The effect was noted on pension fund financing in the case where the rate of inflation would exceed the rate of interest earned on investments, in which case the level cost in terms of a percentage of payroll would be higher than the ultimate "pay-as-you-go" cost.

Among others appearing on the program were Prof. Charles W. Anderson, Loyola University (Chicago); E. L. Seal, Maurice H. LeVita and M. Sarason, consulting actuaries. Harold G. Roberts, president Parsons, Lege, Fairfield, Ia., was the ban speaker.

# EVEN IF YOUR CLIENTS ARE OVER 100...

*They're Not Too Old for  
Guardian's NC-23  
Hospitalization Plan!*

One month after we passed our 100th Birthday, we issued our new NC-23 Senior Hospital and Surgical Expense Policy to three women\* older than The Guardian! That's dramatic proof of our "no age limit" policy on this pace-setting plan.

NC-23 is the plan your over-60 clients need. It is the only Senior Hospitalization Plan with all these features:

- ★ Non-Cancellable
- ★ Guaranteed Renewable for Life
- ★ Guaranteed Premium

It's the policy with many exclusives, few exclusions. Choice of three benefit plans.

For more information, call or write your Guardian Manager for a copy of PUBLICATION 482.

\*Names on request

**The GUARDIAN Life Insurance Company  
OF AMERICA**

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We can't make wine from water; we can't jump over the moon; we can't eliminate taxes; we can't change the weather; and we can't guarantee that every agent we contract is going to be a brilliant, overnight success.

But this we can do: we can give you the rare opportunity to succeed to the full extent of your own ability and determination. And we can give you the training, support, merchandise, encouragement, and incentives to make the most of that opportunity.

Miracles, however, we just can't do.



**The UNION CENTRAL LIFE Insurance Company • Cincinnati**

*Security for the American Family since 1867*

## WHAT LIFE MAGAZINE'S CRYSTAL BALL PREDICTS:

## Lush Market In '60s— For Smart Competitors

Following is a condensed and modified version of the narration portion of the film-strip presentation that Life magazine made on "The Market of the '60s" at the annual meeting of LIAMA in Chicago.

In the past few years the marketing of life insurance has made great strides. But so has the economy, and we can expect more advances in insurance marketing in the immediate future. This is all to the good, for there

is an urgency about the '60s that can't be ignored. The editors of Fortune, who compiled most of the projections we're using, put it this way: "The future has to be earned, not just predicted."

You've heard recently that you aren't selling the whole market, that you've been overlooking the mass market. But which mass market? As the structure of the market changes, more people will have more money to spend. There will be not one but many mass markets—and every one of them will be the target not only for insur-

ance sales but for every conceivable product and service.

Your competition will be not the other companies within your own industry but other forms of saving—and a thousand and one forms of spending. This may seem discouraging. Actually, it is the reverse. The growth in income and buying power (and the tendency of Americans to plan sensible savings and insurance programs) will mean a larger market than ever before—providing only that you have the foresight and imagination to attract your share of it.

We hope our description will prove a useful complement to your own marketing plans.

### More Of Almost Everything

One thing is certain: In both the United States and Canada, there will be more of almost everything. People, for example. There'll be 20% more Americans, a total population of nearly 210 million, by 1970. And the number of family units will be up from 55 to 66 million. There will be 24% more Canadians—a total population of nearly 22 million.

There'll be more money too. Fortune predicts that the average family income in 1970—after taxes and in current dollars—will be nearly \$7,500 a year, an increase in real spending power of about \$1,500 per family. In Canada, disposable income should go from \$27 billion in 1960 to \$37 billion in 1970.

And upper-income families—those earning more than \$7,500 a year—will double during the '60s and will control three-fifths of all expendable dollars. More people earning higher incomes means just that many more opportunities for life insurance sales.

Personal income is based on productivity, and the amount that we produce as individuals will rise even faster than our population. Output per person will increase about 33% for the decade. And the productivity of all the people, our gross national product of goods and services, should rise from \$475 billion this year to \$750 billion in 1970. The gross national product of Canada is expected to zoom from \$33 billion to \$50 billion.

### Needs Closer Look At Specifics

More people, more personal income, more productivity, a wide choice of new products and services, these are some of the general characteristics of the market of the '60s. But finding the meaning in the changes ahead requires a closer look at specifics—beginning with people.

Our population, increasing by about three million a year, is adding the equivalent of a city the size of Syracuse, N. Y., every month. Babies were a bumper crop in 1959, after a slight decline the year before. The current boom will soon flatten out, but at a very high level, and we'll maintain this plateau until 1965. Then a new baby boom will start, and by 1970 the total of births could exceed five million a year. This means a constantly expanding market for juvenile and education insurance.

### Early Marriages, Big Families

People are continuing to marry at an early age, and big families seem to be back in style to stay. We can expect an average of 2½ children in completed families by 1965 and almost three children per family by 1970.

During the 1950s there was an increase of nine million in the number of children under 10. All through the '60s these children will troop into

(CONTINUED ON PAGE 14)



No "ivory tower" theorist, Guarantee Mutual's Training Director Orville Surber, second from left, is often in the field for down-to-earth shirt-sleeve sessions like this one at the Guarantee General Agencies, Inc. in Beverly Hills, Calif. Seated at Surber's left is General Agent Bernie Elkins and flanking him on the right are agents Don Leemon, Bob Mirsky, Art Perelman, Don Foltz and Joe Ross.

### FIELD VISITS:

## Supply lines for success

Part and parcel of Guarantee Mutual Life Company's "agency-minded philosophy" is constant liaison with its fine Field force.

At least once every three months one of Guarantee Mutual's first team of idea men (often as not President Kiplinger or Executive Vice President Anderson) visits each agency.

In sitting down with the whole agency group, the Home Office representative opens wide his bag of tested sales ideas, points out the latest methods of putting them across and couples these with his own special brand of tailor-made techniques that throughout Guarantee Mutual's operation have been putting more dollars than ever in agents' pockets.

What's more, he works intensively with the general agent in developing a systematic recruiting program, in setting objectives for agency expansion, in making meaningful the industry's best plans for economical and efficient agency management.

And there's always time on these visits for the individual agent.

Sometimes it involves helping him with a program for a prime client. Sometimes it comprises that intangible communication of spirit, boosting a man's incentive when he needs it most.

Sometimes, too, it means sharing the essence of good Home Office-Field relationships: a big, home-cooked dinner at the agent's home, for instance, where old friendships with his wife and children are renewed; where the really good things in

life are enjoyed; where the cement of career-long mutual respect and admiration is mixed.

Richly and mutually rewarding, these planned visits to the Field.

For any way you look at it—strictly business or purely social—Guarantee Mutual Fieldmen know they are, first, believed in, helped, and best of all, genuinely liked by one of America's fastest growing, most progressive and friendliest life companies.

Agencies open in the following cities: Chicago, St. Louis, Houston, Spokane, Odessa, Corpus Christi, Casper. Write to J. D. Anderson, Executive Vice-President, Guarantee Mutual Life Company, 8721 Indian Hills Drive, Omaha 14, Nebraska.



General Agent L. C. Harmon, at left, Great Bend, Kansas, gets the kind of personal attention for which Field Supervisor Bill Meissinger has gained wide respect among Guarantee Mutual Field representatives.





# BEHIND THE NYLIC AGENT....



*A complete line of  
modern products to  
give him greater  
sales potential!*

To meet the demands of today's expanded, diversified insurance market, New York Life's complete modern line gives the Nylic Agent a plan for every prospect—whether his client wants Ordinary Life or Accident & Sickness Insurance, on an Individual or Group basis. Among the newest additions to New York Life's line are:

**Family Endowment Plan**—Insures entire family in one policy—then pays Father an endowment at age 65. The one premium can be paid monthly or by Check-O-Matic—the automatic premium-paying method.

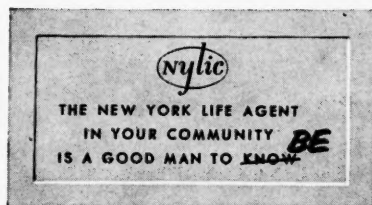
**Guaranteed Insurability Option**—Issued from birth to age 37, GIO guarantees the

future right to specified increases in life insurance protection at standard rates . . . regardless of future health.

**Employee Protection Plans**—Now include Major Medical protection along with Life, Weekly Indemnity and Basic Medical care coverages for firms with from 4 to 50 employees.

**Accident & Sickness**—The modern Home Protector Disability Policy that helps provide income when disabling injuries or illnesses prevent wage earner from working. The policy is noncancellable and guaranteed renewable to age 50, 55, 60 or 65 (in most states) depending upon termination age selected.

*Modern products...  
another reason why*



## New York Life Insurance Company

51 Madison Avenue, New York 10, N. Y.

A MUTUAL COMPANY FOUNDED IN 1845

Life Insurance • Group Insurance • Annuities  
Accident & Sickness Insurance • Pension Plans

## Connecticut General Board Votes Capital Boost To \$24 Million

The directors of Connecticut General have voted to recommend to stockholders an increase in capital from \$12 million to \$24 million.

Under the proposal to be submitted to the March, 1961, annual meeting, the par value will remain at \$10 and the new stock will be paid for by transfer from surplus to capital. If the recommendation is approved, stock-

holders of record March 15 will receive on March 31 an additional share of stock for each share held. Again, if the capital increase is approved, the initial quarterly dividend payable in April is expected to be 35 cents per share.

The directors also declared the regular quarterly dividend of 60 cents per share payable Jan. 3 to stockholders of record Dec. 16.

October sales of **National Travelers Life of Des Moines** were 23% ahead of October, 1959.

## With Two Stenos, One Typewriter, And 1921 Adding Machine, S. C. Department Asks Funds

Commissioner William F. Austin has asked the South Carolina budget and control board for \$615,000 to run the insurance department for the fiscal period ending in 1962. Of this, \$143,000 would be used this year. Mr. Austin said that at the present rate the department funds would be exhausted by February and the division would have to close until July.

He told the board that "it takes

money to repair a house that has been allowed to run down for 20 years." When he took over July 1, he said, he found only one person in the department knew anything about the \$26 million the department keeps on deposit for 850 insurers doing business in the state. The one person handling the securities, 68% of which were negotiable, was bonded for \$2,000.

There are five companies operating in receivership in the state, he reported. The last one to get into difficulties had \$16,000 worth of securities on deposit and needed \$20,000 to meet its obligations.

The department needs more staff and new equipment, Mr. Austin said. Presently it has two secretaries who share a single typewriter. The department has one adding machine, which it bought in 1921. Its mimeograph equipment was put in eight years ago after another unit of the state department discarded it as obsolete.

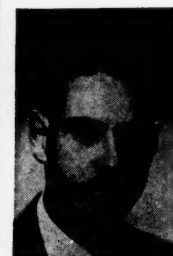
With five examiners and one actuary, the department needs five more examiners and one more actuary, he told the board. Presently, he said, there is not enough manpower to check the approximately 3,000 types of policies it is required to pass on each week.

## N. Y. C. Managers Name Loewenheim President

Harold A. Loewenheim, Home Life of New York, was elected president of

New York City Life Managers Assn. at the annual election meeting at the Hotel Astor. He succeeds Gerald H. Young, Prudential.

Other officers elected at the meeting were E. Lloyd Mallon, Massachusetts Mutual, vice-president, and Arnold



H. A. Loewenheim

Siegel, Union Mutual Life, secretary-treasurer.

Elected directors were Henry C. Barnhurst, Provident Mutual Life; Charles J. Buesing, Mutual of New York; David B. Fluegelman, Connecticut Mutual Life; John S. Gaines, New York Life; Robert V. McWilliams, Aetna Life; Benjamin D. Salinger, Mutual Benefit Life; Arthur L. Sullivan, Fidelity Mutual Life, and Mr. Young.

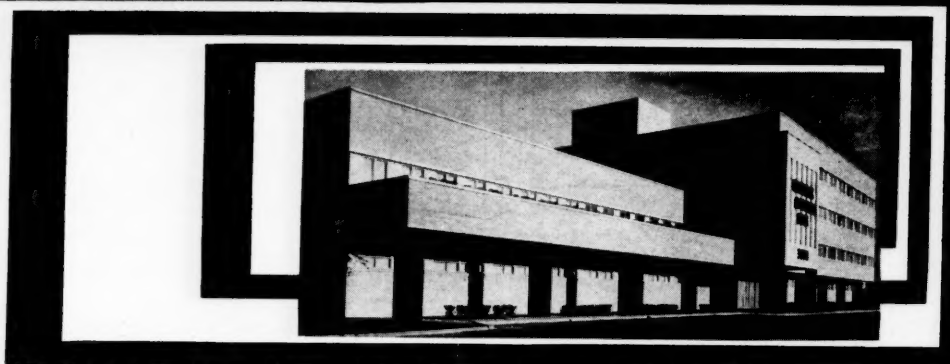
Also elected directors by virtue of their position as chairmen of standing committees were Charles E. Drima, Penn Mutual, planning committee; Joseph V. Buck, Northwestern Mutual, membership committee; Andrew Kinbacher, National Life of Canada, law and legislation committee, and John T. Scott, Penn Mutual.

## North Elected A Director Of Medical Research Fund

Cecil J. North, president of Metropolitan Life, has been named a director of Life Insurance Medical Research Fund to fill the unexpired term of Rolland E. Irish, late chairman of Union Mutual Life.

The fund, which devotes its entire resources to research in heart disease, is supported by 138 life companies in the United States and Canada.

Aktieselskabet Som Er Fremadstraebende  
Aktiebolaget Som Ar Framatsträvande  
Aksjeselskapet Som Gjører Framskritt  
La Compañia Que Va  
La Compagnia Che Va  
La Compagnie Qui Avance  
Die Gesellschaft Die Voran Ist  
Die Vorwärts Strebende Gesellschaft  
Het Maatschappij Wat Opmart



In any Language...

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Assistant Vice President and  
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Providing Complete Life and Accident and  
Sickness Protection in 42 States, District of  
Columbia, Puerto Rico and World-wide Reinsurance Service.

## REPUBLIC NATIONAL LIFE Insurance Company DALLAS, TEXAS

LIFE • ACCIDENT • SICKNESS • MEDICAL AND SURGICAL REIMBURSEMENT • HOSPITALIZATION  
GROUP • PENSION • FRANCHISE • BROKERAGE • COMPLETE REINSURANCE FACILITIES



*be farsighted...join **United***



one of  
america's  
fastest  
growing  
life  
insurance  
companies

## NOW! 2 BILLION DOLLARS LIFE INSURANCE IN FORCE

Here's a growth record! In 1953, United of Omaha became the youngest life insurance company to reach one billion dollars life insurance in force. Then, just six years later in 1959, United doubled its insurance in force. This demonstrates dramatically the vigor and enthusiasm of this young, fast-growing organization and the demand for United of Omaha's all purpose protection. Career opportunities available to go-getters.

*And United's Lifetime Career Contract means—extra pay—the United Way!*

**United**  **OF OMAHA**

UNITED BENEFIT LIFE INSURANCE COMPANY

N. Murray Longworth, President

A Two-Billion Dollar Life Insurance Company • Home Office: Omaha, Nebraska • Canadian Office: Toronto

## New England Life 1961 Dividend Distribution To Be Boosted \$3.2 Million

The directors of New England Life have increased the dividend scale, calling for payments to individual policyholders of \$38.5 million in 1961, compared to \$35.2 million in 1960. An outlay of \$1,950,000 will be required for improvements in the scale.

A larger dividend scale was voted for policyholders who purchased permanent insurance prior to November,

1957. In addition, dividends on all permanent policies issued under qualified pension and profit-sharing trusts will be based on an interest factor increased by one-fourth of 1%.

### Interest Rate Increase

The 1961 interest rate on installment and interest settlements and on auxiliary funds under pension trusts will be increased from 3.65% to 3.75%. Dividends on life income settlement options will also be increased in varying amounts.

Various minor changes were made

in the group dividend scale. The changes result in somewhat larger dividends for group life, and earlier dividends for health coverages with good experience.

## Reaches \$4 Billion Mark

Franklin Life, the nation's largest stock legal reserve life company exclusively in the ordinary and annuity fields, reached the \$4 billion insurance in force mark Nov. 15.

Plans for a 12-story addition to the present block of home office buildings are in the final stages.

## Guardian Life Dividend Distribution \$9.5 Million, An Increase Of \$1 Million

The directors of Guardian Life have authorized distribution of \$9.5 million in 1961 dividends, an increase of \$1 million over the 1960 distribution.

On all individual life policies except term plans, new scales will be used to compute the regular annual dividends. In general, dividends will be larger than those figured on the 1960 scales, with the increase varying according to plan, issue year, and issue age.

New scales will also be used to compute settlement dividends. However, for most issue ages and policy years the dividends based on the new scales will be about the same as under the 1960 scales.

For policies of the pension trust series, the regular annual dividends will also be based on new scales. On policies issued on the current basis, adopted in 1958, the 1961 dividends will be larger than those of 1960, while the effect of the new scales on other policies varies by plan, issue year, and issue age. The excess interest dividend will be one-half of 1% in 1961, an increase of one-fourth of 1% over this year's rate.

Although the 1961 A&S dividends will be based on new scales, the dividends will be approximately the same as in 1960.

The interest rate applicable to dividends left to accumulate and to policy proceeds left under settlement option not involving a life income will be 3.5%, the same as in 1960. On pension trust auxiliary funds, the rate will be increased one-fourth of 1% to 4%.

## 1961 Dividend Scales Are Increased By John Hancock

John Hancock has increased 1961 dividend scales on all ordinary life policies and retirement annuity contracts issued since Jan. 1, 1939.

The scales of dividends applicable next year to industrial policies were also improved. In addition, the company will grant additional surplus distributions to most classes of policies and contracts issued under qualified pension and profit-sharing plans.

Dividends apportioned for 1961 to ordinary and industrial policies will total \$78 million, an increase of 12 1/4%. 7% of the total apportioned is due to increases in dividend scales.

The dividend scales applicable during 1960 to certain personal health insurance policies will be continued during 1961.

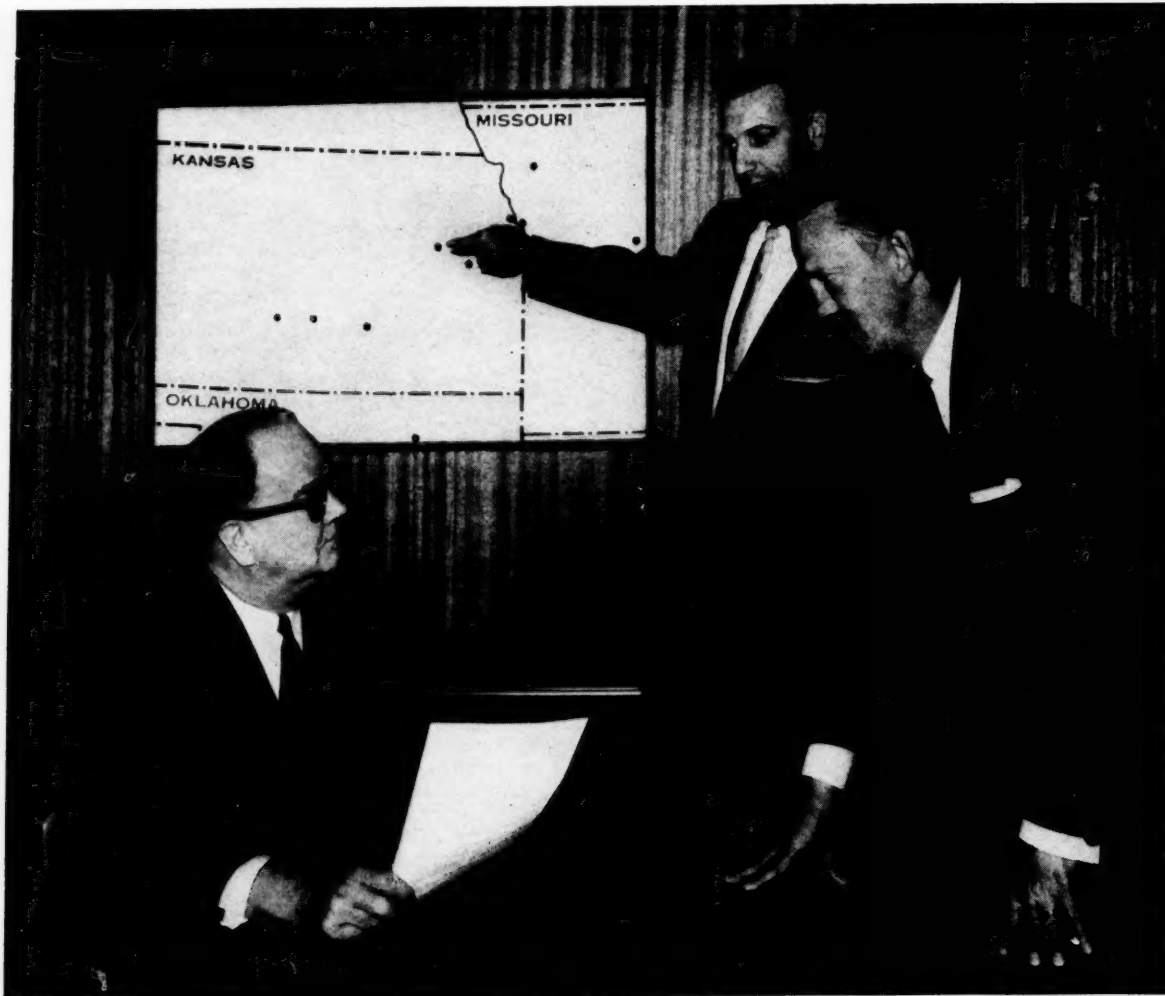
Dividends under the company's group life and group A&S policies and group annuity contracts will be voted at later dates.

## American Natl. Campaign Produces \$168 Million

The field force of American National submitted \$168,649,707 of new business in the annual September-October campaign honoring Executive Vice-president W. L. Vogler. This was the largest amount produced in any 60 days and exceeded production for the same period last year by \$13,739,666.

## C. K. Reid II Misidentified

LIAMA's associate director of company relations was identified as "James K. Reid" in a photo caption in the Nov. 19 issue. The correct name is Charles K. Reid II.



## Successful Agents first... General Agents now

Here, with Bob Belisle—district superintendent for American United in Kansas City—are two general agents who have taken advantage of the opportunities provided by the company with the "partnership philosophy."

Kaler Bole became a top individual producer while developing the Topeka area for his agency, and an outstanding trainer and supervisor of his growing staff. One of the successful agents was Otto Schnellbacher, All American in basketball at U. of Kansas followed by four years of professional football and a year of professional basketball. Otto soon ranked as high in insurance sales as he had as an athlete.

Today Schnellbacher is captain of the Topeka operation, with nine associate producers under his management. Bole has moved on to Kansas City, with a new production organization, seven associates to share his success formula.

Bob Belisle, with justifiable pride in his 24 full-time

agents, says "There's plenty of opportunity for good men to grow, with American United!"

Today, American United is in the top 5% of all the nation's life insurance companies, with well over \$1 billion \$400 million of business in force, and a phenomenal rate of growth. It is a good Company to be with—whether you're buying, selling, or building a career.



AMERICAN UNITED LIFE INSURANCE COMPANY • HOME OFFICE: INDIANAPOLIS, INDIANA

ALL ORDINARY LIFE FORMS-FLEXIBLE OPTIONS-LOW NET COST SPECIALS-UNIQUE JUVENILE-GROUP INSURANCE-GROUP RETIREMENT-PENSION TRUSTS-NON-CANCELABLE DISABILITY-GUARANTEED RENEWABLE MAJOR MEDICAL-GUARANTEED RENEWABLE HOSPITAL & SURGICAL-SPECIALISTS IN SUBSTANDARD UNDERWRITING & REINSURANCE



## ASK YOUR SECRETARY FOR PENSION TRUST PROSPECTS ...THEY'RE ONLY A FILE AWAY

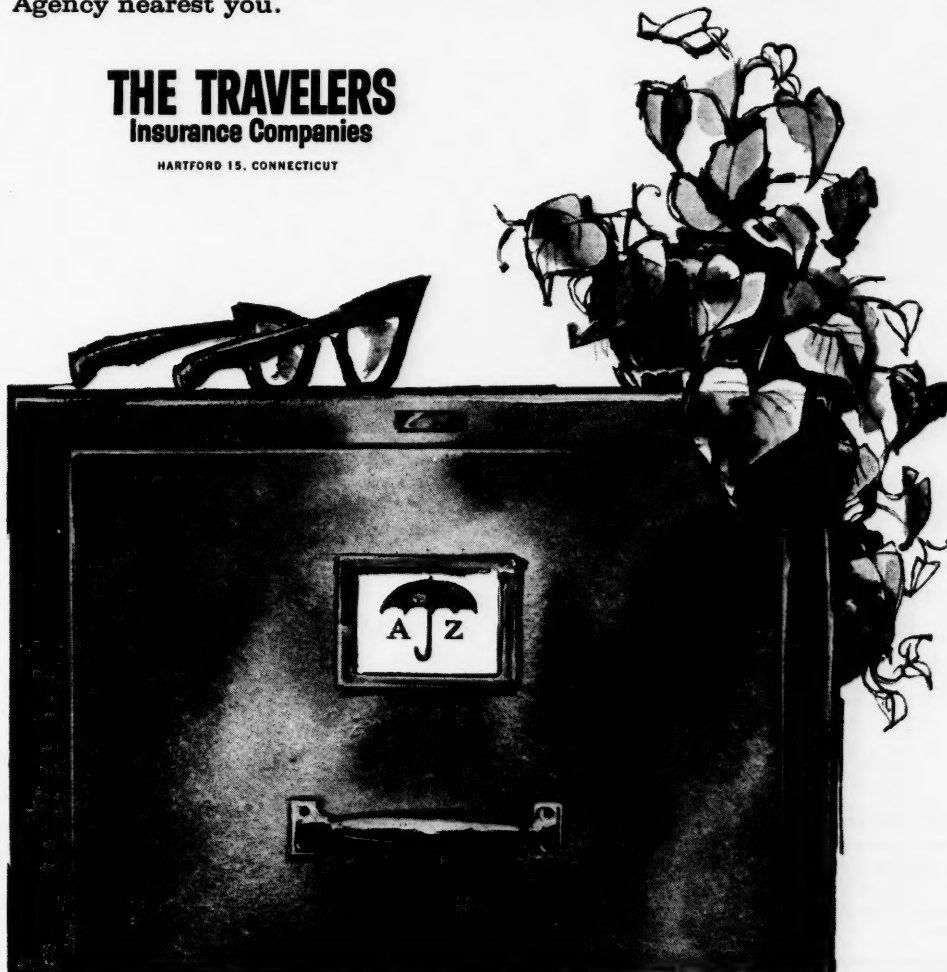
Nearly all your business clients are prospects for Pension Trusts, for even a firm with only one employee may qualify. You'll find a lot of interest in these Travelers plans since there are numerous advantages—especially favorable tax advantages—for both employer and employee.

There are many sound benefits for you, too. Commission earnings from Pension Trusts are high. Selling and servicing these plans enhance your reputation and open doors to additional sales opportunities for other forms of personal and business insurance.

To serve you and your clients better, The Travelers has broadened its Pension Trust Program and expanded its facilities. Why not put your clients and prospects under The Travelers umbrella for Pension Trusts . . . and all forms of insurance. Get in touch with The Travelers Branch Office or General Agency nearest you.

**THE TRAVELERS**  
Insurance Companies

HARTFORD 15, CONNECTICUT



## Sees Lush Market For Smart Competitors

(CONTINUED FROM PAGE 8)

adolescence, raising the teen-age population by almost two-thirds.

Because of the sharp rise in births after World War II, people entering their 20s will show an enormous increase—between eight and nine million. But those entering their 30s—the sparse generation born during the 1920s—will decrease from today's level by almost two million. This means that the traditionally "best"

market for life insurance will be declining, so it will be necessary to convince this group of the need for more insurance. And Fortune feels that cultivating the younger age groups is even more important.

### Million New Households A Year

The number of new 18-year-olds is also increasing rapidly and by 1963 many of these will be ready to start keeping house. New households will be

formed at the rate of about a million a year, an increase of 20% for the decade.

Household composition will be different, too. Back in the 1940s, most new households were formed by couples starting homes of their own. During the '50s, however, a large share of gains came from "non-family" households: people living alone or with non-relatives. In the '60s, husband-and-wife households will again show a rapid increase, and while today most heads of households are in the "middle years," the largest gains ahead will be

at the younger or older end of the age scale.

New households will mean an increase in smaller homes and apartments—and in growing families who need to know the values of insurance protection.

To complete the population picture, there'll be a lot more older people. By 1970, about 9% of all Americans, about eight million men and 11 million women—will be 65 years old or older, and right now the people who are approaching the pasture should be an excellent market for retirement insurance.

Two marketing potentials are immediately apparent: There'll be a much larger demand for goods and services aimed at the career girl, and there'll be a vast new market of working wives, whose independent incomes will give them a powerful influence in family purchases. Also, these more sophisticated working wives will be keenly aware of the need for family security through adequate insurance.

### Less Than Half Doing Manual Work

Also, by 1970 more than half of all workers will be freed from manual labor, and 40% of these will be in white-collar jobs. And of all those who have white-collar occupations, two-thirds will be managers, officials or proprietors, at the upper level of the white-collar class. This is an encouraging trend, for white-collar groups are by far the best prospects for adequate insurance protection.

When an entire economy expands as swiftly as ours will, temporary dislocations are inevitable—including overburdened schools, inadequate highways, water shortages, too few houses and strains on health, recreation and welfare services. As a result early in the '60s there will be a disproportionate rise in "social investment," to relieve these conditions. Business, too, will take more dollars for investment and inventory accumulation, and these dollars will cut our consumer spending.

### Trend Will Reverse

But in the second half of the decade, the amount we spend for actual goods and services will reverse the trend and show a tremendous increase. To the man with something to sell, the astonishing rise in personal income is one of the most heartening aspects of the upcoming market.

By 1970, it's estimated that (after taxes and in 1959 dollars) five out of six American families will be earning more than \$4,000 a year. This figure is significant because it's in the neighborhood of \$4,000 that so-called "discretionary spending" starts. This means simply that up to about \$4,000 a year a family can buy essentials and little if anything more. But when family income goes over \$4,000, choices begin to open up. No longer does all the money go for staple foods, clothes and rent. They can begin to spend with "discretion."

### New Opportunities And Challenges

To the insurance industry, the broadening of the economic and social base will mean new opportunities and challenges, demanding new and different selling techniques. . . . The challenges are demanding, but the rewards are worth the effort.

One fact is certain: In the '60s, as in every market, the greatest rewards will go to those who are most adventurous, best informed and most creative in their marketing plans, and who begin planning now. Because it is now when the future will be earned.

**Mr. Agency Builder: STRIKE IT RICH!**

You can "Roll a Strike" every time with Columbus Mutual's Agent's Contract, Induction Program, and Sales Packages—because your agents make money and you make money with:

- Top Commissions on Leading Par and Non-par Policy Contracts.
- Vested Renewals.
- Higher Lifetime Compensation in Service Fees.
- Non-Contributory Pension Plan.
- Free Group Life Insurance.
- New Induction Program—completely flexible for new agents, established producers, and brokers alike.
- Profitable, success-proven Sales Packages.
- Practical, easy-to-use Visual Presentations.
- Streamlined Rate Books for Maximum Production in Minimum Time.
- Unexcelled Aut-O-Check and Check-O-Matic premium payment plans.

**FOR YOU**

Well-balanced General Agent's Contract providing liberal overwriting and liberal expense allowance.

**PLUS**

Friendly, effective Home Office assistance to help you in your Recruiting, Training, and Agency Building Program.

**AGENCY-BUILDING OPPORTUNITIES in:**  
Alabama, Arizona, California, Delaware, Florida, Georgia, Illinois, Indiana, Iowa, Kansas, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Texas, Virginia, Washington, D.C., and West Virginia.

**COLUMBUS MUTUAL**  
Life Insurance Company  
Columbus 16, Ohio  
Frederick E. Jones, President Fred C. Adams, Sup't. of Agents

**YOUR AGENCY**

**YOUR FUTURE FORTUNE**





## What did the explorer miss most in the polar vastness?

IMAGINE—if you can—a world in which you'd never hear a single familiar sound.

An explorer of the Antarctic once lived alone for weeks in this kind of silence. And later he wrote that he missed nothing so much as the voices of friends, and countless other sounds that we hear daily.

If your hearing is good now, how can you keep it that way? Equally important, what can you do to protect your children's hearing?

Most symptoms of ear trouble in adults are easily recognized—straining to hear low-pitched conversations, feelings of fullness or congestion, ringing or buzzing sounds in the ears. Any one of these symptoms should be investigated by your physician.

It's more difficult to tell when a child's hearing is affected. But there are signs that should alert parents to trouble. Inattention, a tendency to shyness, a desire to be alone and inability to pronounce words properly—all these may indicate a hearing difficulty.

Should any of these signs appear, a child's hearing should be tested. Moreover, it's advisable to have a child's ears examined after measles, chicken pox, mumps, whooping cough, swollen adenoids and a sore throat from any cause—even though there are no symptoms of ear trouble.

Ear infections are no longer the serious problem they once were—thanks to the antibiotic drugs. When given promptly, these drugs usually bring rapid cure. And surgery is of great benefit to many people in middle and later life afflicted with chronic pro-

gressive deafness.

Those who are hard of hearing are in great need of patience and understanding. Without it they are likely to feel the loneliness of the Antarctic explorer. Speaking slowly and distinctly is a great help. Fingers should be kept away from the lips since many deafened people unconsciously depend on some lip reading.

Your best protection against ear troubles at all ages lies in regular tests of your hearing and prompt treatment by a physician at the first sign of any difficulty in hearing.

THE LIGHT THAT NEVER FAILS

**Metropolitan**  
**Life**  
**INSURANCE COMPANY**  
A MUTUAL COMPANY  
1 Madison Ave., New York 10, N.Y.

This advertisement is one of a continuing series sponsored by Metropolitan in the interest of our national health and welfare. It is appearing in two colors in publications with a total circulation in excess of 45,000,000 including Saturday Evening Post, Ladies' Home Journal, Good Housekeeping, Redbook, Reader's Digest, National Geographic, U. S. News, Look.

## Indianapolis A&H Men See Demonstration Of Visual Aids At Meeting

The case for visual selling was visually demonstrated at the November meeting of Indianapolis Health Insurance Assn. by Donald Ross, merchandising manager Successful Farming magazine. Mr. Ross demonstrated visuals used by his own company in selling advertising to illustrate several rules he labeled as "cardinal" in visual selling: Use big visuals so they won't

be left in one's pocket; there is no better visual than one's own insurance policy; every newspaper offers a wealth of visuals; visuals show one has come prepared not "just dropped in;" testimonials are a very effective form of visual.

The prospect "sticks with you" when one uses a visual, Mr. Ross stated. Use a brief case as a visual, he suggested. Lay it on the corner of a man's desk so he can refer to it and so remember one's name and company.

Leo Costin, All American, association president, announced that Chicago has

challenged Indianapolis again this year to a race for the "largest association title, won in a similar contest last year by Indianapolis. Mr. Ross reported that Des Moines has also challenged Chicago and expects to take the title away from both Indianapolis and Chicago next year.

### Bankers, Ia., Writes \$37 Million New Business During October

New business in October of Bankers of Iowa amounted to \$36,776,338. Of this, \$16,467,404 was ordinary, and the remainder was group.

## This Week Magazine Creates Special Unit For Insurance Ads

**NEW YORK**—This Week magazine, which is distributed with many Sunday and weekend newspapers, has set up a special sales unit for insurance and institutional advertising, headed by Edwin P. Clark of the magazine's Philadelphia office. He will be assisted by Neale M. Leary of the New York City sales staff. Mr. Clark is a frequent speaker at business and civic gatherings.

The new sales team is the latest development in This Week's stepped-up program in family finance and retirement planning. Last May, This Week presented the first of its "Accent on Personal Affairs" issues. It contained practical advice on finance and net-worth planning by Dexter M. Keezer economist, plus important suggestions on home protection by Robert A. Marshall, expert on housing.

In the Oct. 23 issue there was a major article on planning for retirement, with detailed advice on health, hobbies and interests, insurance planning, relocation and the like.

## Uphold Reversal Of Saunders' Conviction

**AUSTIN**—The court of criminal appeals has refused by a vote of 2 to 1 to reconsider its decision that reversed the perjury conviction of J. Byron Saunders, former chairman of the old Texas board of insurance commissioners, but it failed to make the ruling final, thereby keeping alive the hopes of prosecutors for sending Mr. Saunders to prison to serve a two-year term.

Judge K. K. Woodley kept the reversal from becoming final with a dissenting opinion, which allows the district attorney to file a second motion for rehearing. District Attorney Les Procter said that he will file such a motion.

### Could Prolong Decision

This could prolong a final decision until after Jan. 1, when Judge W. T. McDonald will replace Judge Lloyd W. Davidson, who joined Judge William A. Morrison in the majority opinion.

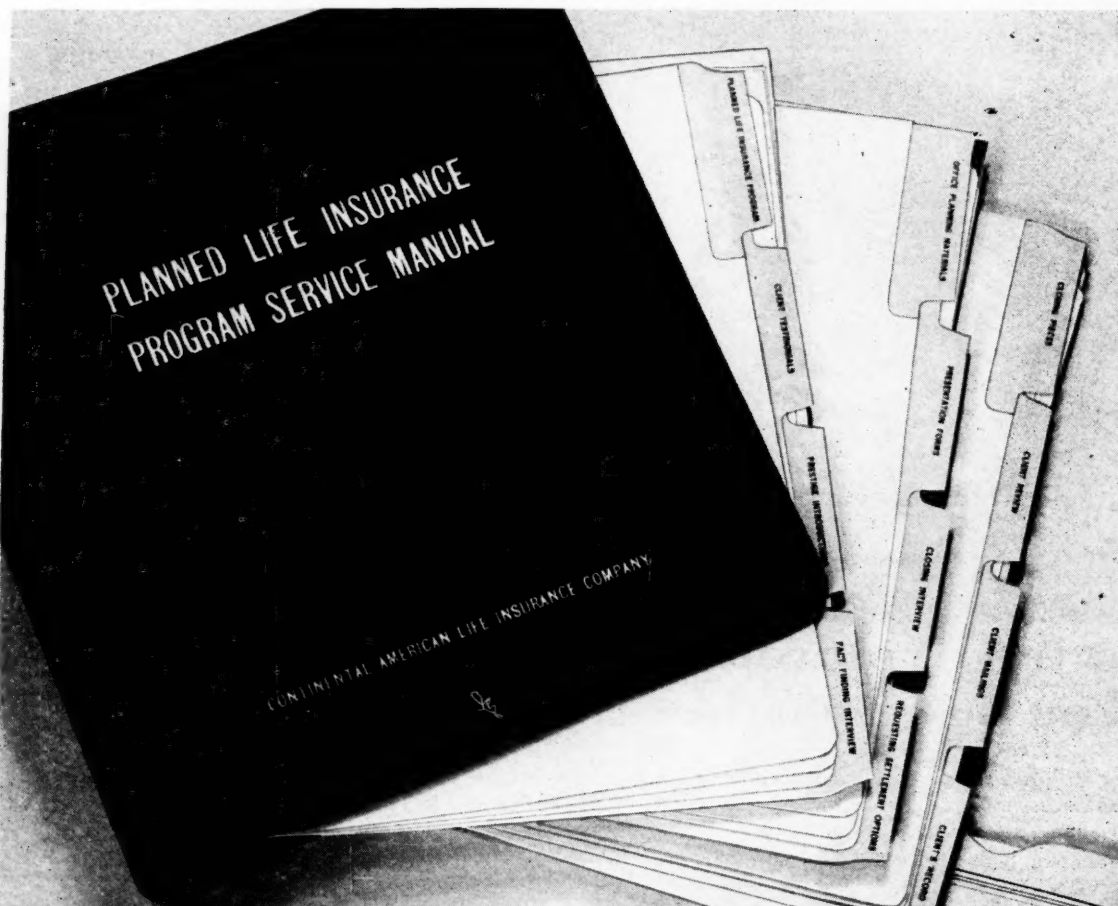
Mr. Saunders was convicted of perjury before a legislative committee investigating the collapse of BenJax Cage's ICT Ins. Co. The original majority opinion reversing that conviction held that Mr. Saunders could not be guilty of perjury because the oath he took before that committee was not required by law.

## Republic National Has Record 10-Month Sales

Republic National Life has completed its most successful 10 months ever. Total life in force at the end of October was \$2.9 billion, an increase of \$545 million and also \$145 million more life insurance than was added during all of 1959. Approximately 60% of the new business is ordinary and group life and the remainder reinsurance.

## Service Guide

CONFIDENTIAL NEGOTIATIONS FOR  
SALE OF INSURANCE COMPANIES  
*Ralph F. Colton*  
30 N. LaSalle St. Chicago 2, Ill.  
Financial 6-9792



## THE METHOD AND THE RESULTS

**Continental American's Planned Life Insurance Program Service, based on a distinctively professional concept, is an organized, systematic method of building clients through estate planning, and conscientiously providing maximum protection at minimum cost. The results this method produces, year after year, are significant.**

**Last year, Continental American representatives increased their average new policy sale to an impressive \$17,177, again placing their company among the nation's top-ranking life insurance organizations.**

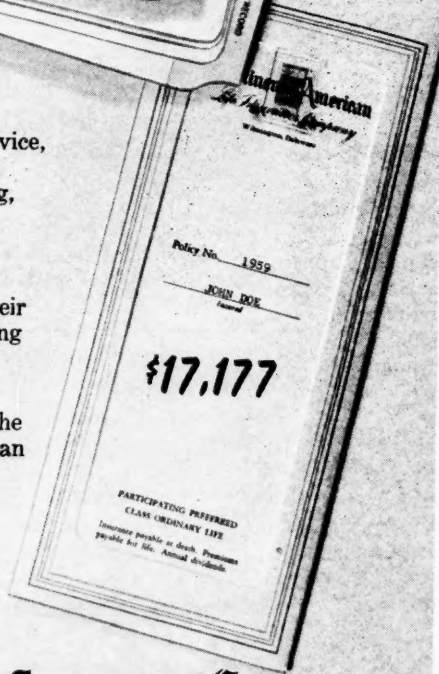
In their continuing enthusiastic practice of the principles of the Planned Life Insurance Program Service, Continental American representatives are certain to reach even greater heights of personal achievement.

They know that better business comes from the increasingly better client service they are equipped to render—and brings with it proportionately greater rewards.



# Continental American Life Insurance Company

**WILMINGTON, DELAWARE**



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# Home Office Changes

## Manhattan Life

Anthony V. Rumolo, superintendent of agencies, eastern and southern divisions, has been appointed director of the new pension trust sales department. He was manager of the life department of Johnson & Higgins, New York insurance brokers, and before that was with Equitable Society in New York.



Anthony V. Rumolo

John J. Sullivan, assistant to the vice-president, has been appointed office manager of the new department. Formerly he was a director and assistant to the president of Expressmen's Mutual Life, which was reinsured by Manhattan Life in 1956.

## Northwestern National

Edward Ingraham has been appointed assistant manager of the securities department. He has been an analyst in that department.

## Franklin Life



W. D. Clements Jr.

William D. Clements Jr., has been elected vice-president. He will assume agency development duties at the home office Jan. 1.

Mr. Clements has been regional assistant in the eastern division since 1952. Prior to that he was with Equitable Life of Iowa.

## Home Owners Life

Complete slate of new officers is as follows: R. H. Gore Sr., chairman; E. Thomas Wilburn, president; Henry G. Eggert, administrative vice-president; Perry F. Wyson, secretary-treasurer; William O. Sahn, agency vice-president; Robert Anderson, vice-president; Donald V. Thurber, assistant treasurer, and Isabelle Hilderbrant, assistant secretary.

## Life & Casualty

Arnold Anderson, chief actuary for group and reinsurance, has been promoted to administrative assistant to the president.

## Metropolitan Life

James S. Burke, 3rd vice-president since 1953, has been advanced to 2nd vice-president. He was placed in charge of the claims division last month. He is a member of the New York bar.

John T. Hoyt, 3rd vice-president since 1956 and a fellow of Society of Actuaries, becomes a 2nd vice-president.

George R. Berry, 2nd vice-president at the Canadian head office and before that 3rd vice-president there in charge of administration for six years, has been made assistant general manager there as well. He is an associate of Life Office Management Assn. Institute.

Eugene J. Gallagher becomes 3rd vice-president, personnel, at the home

office. He has been assistant vice-president in personnel since July 1.

In the Canadian head office, Nelson Kidd has been appointed assistant vice-president, J. William Mackinnon assistant general counsel, Dr. Emerson C. R. Purchase assistant medical director and Cecil G. White assistant vice-president.

## Pacific Mutual

Assistant Vice-president A. N. Culling has been placed in charge of field office administration, and E. Eugene Brown, director of agency administration, becomes director of field office administration.

Robert E. Daisey has been appointed director of agencies.

## Capitol Life Of Denver

John F. Shallenberger has been promoted to vice-president and director of agencies. He has been superintendent of agencies and before that was with World of Omaha at the home office as a general agent.



J. F. Shallenberger

## Pilot Life

D. M. Nelson and R. T. Moore have been appointed management assistants in the management development program. Mr. Nelson has been with Southland Life at Odessa, Tex., and Mr. Moore with Indianapolis Life at San Antonio.

## Northwestern Mutual

Edgar D. Coffman has been named an assistant superintendent of agencies. He has been field director of the Harrison agency at Washington, D. C.

## Old Republic

Stephen D. West has been appointed an attorney.

**STANDARD L.A.A.** of Oklahoma City has appointed George Edgington, formerly with Mutual Benefit H.A.A., vice-president of A&S. New assistant directors of agencies are Leland R. Boyce for the west and midwest and James G. Starr for Oklahoma.

**NATIONAL LIFE** of South Dakota has named Karl R. Byers agency vice-president. He has been with Penn Mutual and Lincoln Mutual Life.

**TEACHERS-CREF**—Elected vice-presidents are D. S. Willard, manager of the institutional counseling department, and Gerard van Amerongen, former vice-president of Lionel D. Edie & Co. C. E. Galston, who was elected secretary and general counsel, is a former vice-president of United States Trucking Corp. and president of Motor Haulage Co.

**AMERICAN EDUCATIONAL LIFE** has named Roger Church director of the professional student division.

## Lutheran Brotherhood Sales Gain

October sales of Lutheran Brotherhood totaled \$21 million, up \$2 million over October, 1959. New business for the year is over \$200 million, and increase in force as of Sept. 30, amounted to \$1,269,473,568. This was an increase of \$132 million since Jan. 1.

## New York Life Dividends To Increase 5.6% In 1961

New York Life policyholders will receive total dividends of \$132,500,000 in 1961, an increase of 5.6%.

Of the total amount to be set aside, \$126.1 million will go to individual life and annuity policyholders, and the remaining will be paid on group policies and individual A&S policies.

The company will continue in 1961 to credit interest, within contractual provisions or company rules, at 3.5% per annum, or at the guaranteed rate, if higher, on dividends left on deposit, single sum death benefit payments, pension trust supplementary funds, and supplementary contracts without life contingencies.

## Records For All American L.&C.

In the final week of President's Month, honoring E. E. Ballard of All American L. & C., \$3,004,307 of life business was written—50% more than any previous week. In the same week, A&S applications totaled 409 for annualized premium of \$55,723. For the

entire month (October), new A&S premium increased 19% over the same month last year, and life went up 10.2%.

## Berman, Woodruff

### Leave Ill. Department

Lawrence A. Berman, chief attorney in the Illinois department, with offices at Chicago, is resigning Jan. 1 to enter the private practice of law in Chicago.

Vaughan N. Woodruff, attorney in the Springfield office, also is resigning and will enter law practice in Chicago.

## Feay Joins National Services

Maurice F. Feay has joined National Services, pension and profit-sharing plans consulting firm affiliated with Nationwide Corp., as an actuary in charge of the actuarial department. He has had 25 years' actuarial experience, beginning with Equitable Society, and prior to his current move, he was assistant actuarial director of the Prudential group pension department.

**United Security Life** of Covington has been licensed in Tennessee.



*mark of distinction*

Recognition of the training required to earn the designation of Chartered Life Underwriter—of which this key is the distinctive mark—is very definitely growing year by year. One indication of this is the growth in paid memberships in the American Society—from 2,264 in 1950 to a record high of 5,158 for the 1958-59 year.

Doesn't the increasing importance of this professional designation suggest to you that it would be worth your while to explore what C.L.U. study might do for you? You can get more information about C.L.U. activity in your community through your local life underwriters association.

**BANKERS Life COMPANY**

DES MOINES, IOWA

# Changes In The Field

## Northwestern Mutual



Thomas I. Pickford

Thomas I. Pickford, assistant superintendent of agencies, is returning to field work as district manager at San Jose, Cal. Member of a family long associated with the company, he was born in Cedar Rapids, Ia., where his father, the late Roswell H. Sr., was general agent for 26 years. A brother, Roswell H. Jr., is general agent at Omaha.

## United Benefit Life

Walter Mench, district manager in the Philadelphia group office, has been named regional manager of the group department in Philadelphia. Kenneth

Sandwall, group representative at Portland, has been put in charge of the Denver district group office, and Richard Reese has been made group representative in Omaha. He has been with the company since 1958.

## Lincoln National

New supervisors are S. Bernard Bokkal and Earl L. Semrad of the Feustel-Berglas agency at Los Angeles and Robert A. Klock of the Raffel agency at Harrisburg, Pa.

## Occidental Of California

Robert H. Brown, assistant regional group manager, has been transferred from Richmond, Va., to Baltimore, and Herman D. Harrold and David C. Babcock, trainees, have been shifted from the Los Angeles group sales offices to training assignments in the home office.

New group service representatives are John J. Hamilton and Clifford E.

Elliott at the Los Angeles group service office and Richard L. Golden at the home office as group sales trainee.

Richard N. Bell has been appointed assistant brokerage manager at Pasadena. He has been with Union Mutual Life and Prudential.

## Home Life Of New York

Clifford F. McKendry has been appointed manager at Rochester, N.Y., succeeding Edmund B. Case, who has become trust officer of a local bank. Mr. McKendry joined Home Life in Rochester, becoming assistant manager there in 1950. Three years later he was appointed manager of a new agency at Albany. Since then he served in a number of management assignments, most recently in New York City.



Clifford F. McKendry

## Monarch Life

Appointed general agents are: H. S. Watson at El Cajon, Cal. He was formerly an agent at Ventura, Cal. M. L. Goodman at Evansville, Ind. He has been an agent at Charleston. M. C. Miles at Fargo, N. D. Previously he was group sales representative for the midwestern region with headquarters at Des Moines.

R. M. Cleveland at Louisville, where he has been a supervisor.

D. S. Jack at the new Saginaw, Mich., agency. He has been Ohio regional trainer.

## Pilot Life

R. Jaudon Berry has been appointed general agent at Miami. He has been in Pilot's development program and before that was a supervisor with Lincoln National Life.



R. Jaudon Berry

## Federal Life Of Chicago

Lawrence P. Foley has been appointed manager at St. Louis. He has been with State Life of Indiana and Western & Southern Life.

## Life Of North America

Humberto Capo-Pascual has been appointed assistant manager at San Juan, P. R., where he has been a supervisor for John Hancock.

## California Life

William Rempel has been appointed general agent at Oakland.

## Woodmen A.&L.

William J. Sanders has been named manager at Dallas. He was with Metropolitan Life.

## Southland Life

Benjamin Brown, field assistant at Tyler, Tex., has been appointed assistant manager there.

## Mutual Trust

District Manager Louis C. Perlman is opening an agency at Minneapolis next door to another new agency headed by Donald P. Bergquist. O. I. Herts-

gaard, a member of the board, will work with Mr. Bergquist. Mr. Perlman has had experience with Prudential.

## B. A. R. E.

V. C. Panarisi has joined the company as regional group supervisor for southern Indiana and Ohio. He has been with Associates Life.

## Occidental Of Raleigh

Appointed managers are H. G. Olsen, LeMesa, Cal.; D. D. Beers, Phoenix, and E. H. Sheridan, San Antonio.

**WESTERN EMPIRE LIFE** of Denver has appointed Paul Snow state agency manager for Colorado. He has been with New York Life and Allstate Life.

**NORTH AMERICAN EQUITABLE** of Columbus, O., has appointed John Aicholtz manager at Columbus. He has been with Continental Assurance.

## Cal. Agents Conduct Legislative Workshops

Legislative workshops have been conducted at San Francisco and Arcadia by California Assn. of Life Underwriters.

At San Francisco, the legislative panel consisted of John T. McFarland, association counsel; Donald C. Burns, association legislative advocate; and Weldon F. Williams, west coast legislative representative of National Board of Fire Underwriters.

"A Legislator's View of Pressure Groups" was discussed by Assemblyman Robert Crown at the luncheon. In the afternoon, Richard F. Wollesen, chairman of the legislative committee, discussed local grass roots programs and Earle L. Patten, president, spoke on cooperation between state and local associations.

The legislative panel at Arcadia was comprised of Roger H. Davis, attorney and technical adviser to industry representatives at the state legislature; Carl M. Bromberg, San Fernando; and Mr. Burns. The luncheon topic similar to that presented at San Francisco was discussed by Assemblyman Howard J. Thelin. Harold Van Cleve, legislative vice-chairman, covered the grass roots programs, and Mr. Patten again discussed the state and local association cooperation.

## General Life Of Wisconsin Offering 175,000 Shares

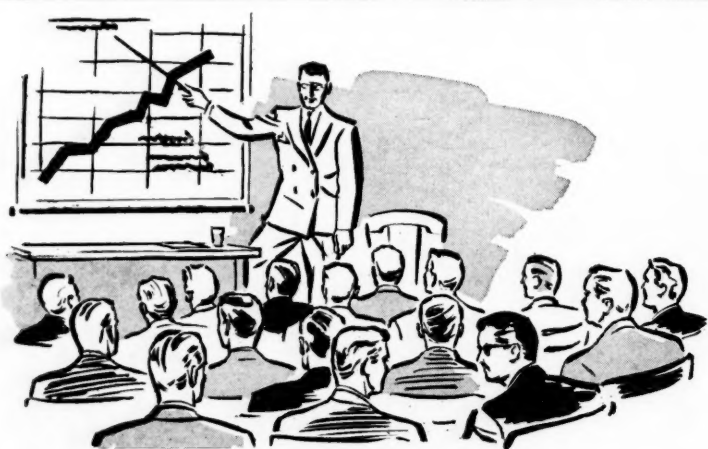
General Life of Wisconsin is offering for sale 175,000 additional shares of common stock to Wisconsin residents at \$2.25 a share. Par value is 45 cents a share and the stock is being offered on the basis of one share for each four shares held on Nov. 1.

Approximately 155,000 shares are being offered to stockholders and the remainder, together with shares not subscribed to by stockholders, may be purchased by employees and agents.

Following the sale, the company, which began operations last year, will have 871,000 shares outstanding.

## Phila. Mayor Honors Sun Life Of Baltimore For 50 Years In City

Congratulations were extended by Mayor Richardson Dilworth of Philadelphia to Stanford Z. Rothschild Sr., president of Sun Life of Baltimore, during ceremonies celebrating the company's 50th anniversary of its operation in Philadelphia. The ceremonies, which coincided with the company's 70th anniversary, took place in the mayor's office at City Hall.



## How do you judge a company's progress?

Generally speaking, a company's progress is judged by the sale of its product. But a life insurance company is somewhat more complex than others. Its product is intangible and it is not for the moment, but often for the remainder of life and beyond.

There are many things to consider in measuring the progress of a life insurance company. Its sales, of course, and the growth of its insurance in force . . . its assets . . . the way its policy plans meet current needs . . . the efficiency and training of its sales force . . . the completeness of the service which it can offer its policyholders . . . the enthusiasm and company loyalty that extends throughout the entire organization.

Measured by any of these standards, the Sun Life of Canada has been successful ever since its first policy was issued in 1871, and its progress continues to be sure and steady today. Its \$9 billion of life insurance in force protects the holders of well over two million policies and group certificates; 150 branch offices from coast to coast in North America provide the finest of life insurance service, and its policy plans are modern and up-to-date in keeping with the changing times in which we live. The Sun Life is, indeed, one of the great life insurance companies of the world.

**SUN LIFE ASSURANCE COMPANY OF CANADA**

HEAD OFFICE: MONTREAL



## Future Manpower Squeeze Is Studied By LIAMA Panel

(CONTINUED FROM PAGE 2)

it was \$404 and it now has leveled off to around \$415. The figure doesn't vary greatly by company size.

5. Where are the companies putting the new men? Mainly in agencies. Figures based on 21 of the largest purely ordinary companies in the U.S. that contributed to LIAMA's Handbook of Production Data, indicate the number of agencies is being increased at the rate of about 2% a year.

6. What luck are the companies having in keeping the recruits? Not too much. First-year survival hasn't changed materially in many years, and a company must still expect to lose more than 55% of its recruits before the end of their first contract year. However, men are being better selected, and attempts are made to keep them in the face of the more competitive labor market.

### Houses Kept Cleaner

"We are also keeping our houses cleaner by realistically identifying and terminating early failures," said Mr. Wallace. "Quantitatively our turnover rate has not changed. Qualitatively it is a different story."

Discussing what he termed a disturbing aspect of the agent recruiting picture, the hiring of one company's agents by another, Mr. Wallace said these men who transfer are very little better in terms of first-year survival, while in terms of production they are no better.

Turning to field management manpower, Mr. Wallace said it is "sad but true that like other businesses, we know much less about the ways in which we recruit and develop managers than we do about agents. It is only recently that we have begun to realize that managers are not just good salesmen with a new title, a new method of compensation, and experience with another company."

On the average, a company can expect to lose between 5% and 12% of its managers every year. This sounds small compared to agent turnover, but it looms large when the relative difficulty of replacement is borne in mind, he observed. Moreover, 20% of the men lost each year represent inevitable losses, such as retirements, disabilities or deaths. Sixty percent are lost before they have given the company five years' service.

### McEuen Discusses Manpower

Brice F. McEuen, vice-president and agency director of Lamar Life, discussed improving the manpower situation by improving the present organization. Lamar Life feels that qualitative goals are more productive of long-lasting results than quantitative goals. Hence, quality of manpower and quality of business are stressed.

To create a sense of urgency, the company put every agent, manager and broker on a mailing list for daily bulletins, conducted sales contest frequently and speeded up service and supplies to the field.

Early trips to the field reveal many good men. These men are encouraged and shown how to capitalize on the natural leadership positions they already have in their communities and become the life insurance man in their areas. The sense of urgency generated by all this produced a new level of activity, which in turn produced a new level of sales leadership.

The "Make-More-Money" meetings that Lamar Life conducted had as targets the improving of personal efficiency, prospecting efficiency and selling efficiency. Help was given the managers through a mailing service, schools were held at the home office and eventually all managers attended LIAMA schools in agency management. More meetings for managers

were also held, one- or two-day meetings every quarter.

Lamar first upgraded sales activity and then went at the slow process of upgrading knowledge. The latter has a big payoff but it must be a continuing activity, not just used to try to boost production, Mr. McEuen said. To get immediate production, he suggested trying a fast-paced, exciting contest, not over a month long. But there's got to be more than comparative sales figures. There must be stress on the ideas that are going into the minds of people in the agency department, the field managers and the agents, so as to predict what will be in their hearts and come out of their mouths in office, coaching, field training, joint work and individual sales interviews.

To upgrade present organization a company can (1) get first-hand information from agents and agencies by going through policyholder files of recent sales to determine how the policies were sold and (2) publish in the house organ stories of men who have completed LIAMA's Agent Development Program, achieved the CLU designation, taken the LUTC course,

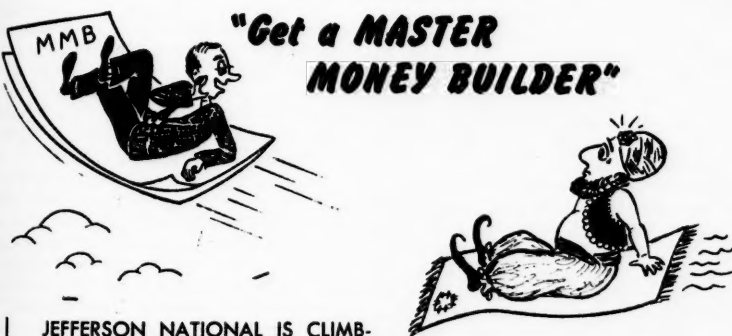
campus courses and been active in other institutional education programs.

Solving the manpower problem by increasing the number of new men was discussed by Kenneth W. Perry, vice-president of Massachusetts Mutual. He said that in 1951 the company decided to do something specific about increasing the number of field men so as to continue to get its share of the business.

A five-year manpower program was set up, the first step of which was to determine how many full-time men they already had in the field, and to terminate those who were not full time.

"After this house-cleaning we found that over 100 men were terminated," Mr. Perry said, "and we had a net of 840 full-time agents at the start of the campaign. We asked each general agent to set his own manpower program objective with cumulative six months net goal."

The company net goal was to be 1,240 by June of 1956. In order to keep up the tally of full-time men the company established production rules and a follow-up system of reports with the general agent. Additional help was given to the general agents in the way of motivation and aids, and manpower



JEFFERSON NATIONAL IS CLIMBING FAST, and riding the crest of soaring sales are the underwriters presenting today's most modern concept of life insurance.

The MASTER MONEY BUILDER—one of many great package plans—is a real "money-maker" for the agent and an even greater "buy" for the client. Together with the finest Non-Can A & S, a highly competitive Group portfolio, Audio-Visual Films, and the "Powerful Idea" sales track, JNLmen are the maharajahs of the life insurance field.

If you are ready to MOVE UP—fly (don't walk) to investigate our Top Commission Contracts, Recruiting Bonuses, and many other profit-building aids. Wire or write today to BYRON C. JOHNSON, Agency V.P.

**JEFFERSON NATIONAL**

*Life Insurance Company*

INDIANAPOLIS 4, INDIANA



**Hey Harvey!**

**your opportunities are bigger . . .**

. . . at Shenandoah Life—a company whose primary aim is to offer quality plans with the kind of personal and continuing service every policyholder has a right to expect.

*For full information write . . .*

G. Frank Clement, C. L. U.  
Vice President in Charge of Agencies

**Shenandoah Life**

**INSURANCE COMPANY**

Home Office • Roanoke, Virginia

A Mutual Life Insurance Company Owned By and Operated For Its Policyholder

awards were given each year.

The success of the program was evident when the first goal of 1,240 men in five years was reached three months ahead of schedule. It was then decided that a second manpower program should be inaugurated, but running three years, with a goal of 1,400 net.

"At the end of the campaign," Mr. Perry said, "we had 1,800 full-time representatives, or 400 more than our goal. A third manpower program was established at that time to run again for three years and, after house-cleaning, we started out with 1,700, with a 2,000 objective by April 1, 1962."

The company was just 20 short of this goal last October 1.

The speaker said the most important element in this plan was that production from these groups of men had increased materially. In the five-year period preceding 1951 the company had been getting approximately \$38 million per year from men in their first and second years. This was about 14.1% of the total volume. Men in their third, fourth and fifth contract year, he said, were producing at an average rate of \$40 million per year for 15.2% of the total.

In 1959, first and second year men

produced \$325 million for 28.1% of the total volume and this was nearly nine times what they were producing in the five years preceding the manpower campaigns. Men in their third, fourth and fifth contract years in 1959 (obviously the result of hiring new men) produced \$217 million for 21.7% of the company total.

Thus, in 1959 nearly 55% of the total volume came from men in their first five years compared to approximately 26% from this same group in the five-year period preceding the manpower campaign.

Mr. Perry said the company has also maintained quality along with quantity. It has about 350 full-time agents and general agents with 20 years or more of service and more than 55 full-time men under contract five years or more. The survival rate of financed men is excellent, he said, and the persistency rate is very high. One out of nine belong to the Million Dollar Round Table, one out of six is a CLU and one out of three has received the national quality award.

Ora W. Walk, CLU, 2nd vice-president and assistant agency director of Southwestern Life, discussed the manpower problem from the point of view

of adding agencies. His company has pushed its operation into new territory via the scratch agency route, yet has retained an exceptionally high percentage of its recruits and its record for individual production results.

He said that in order to maintain the same high quality of agent retention the company enjoyed before the expansion program was undertaken, a plan was put in operation to upgrade the present organization at the same time it was developing new manpower. Five "ground rules" were set up as a guide in the long-range development and as a help to avoid taking tempting short cuts along the way.

These included continuing close working relationship with present organization while making an effort to develop new areas; continuing the same company philosophies in the new areas; conducting the expansion program within expense limitations dictated by good judgment; being sure to develop the operation that could best serve the area; and maintaining flexibility to allow varying from a standard operation if a change seemed justifiable.

#### Results Of Ground Rules Given

Mr. Walk said that following these ground rules has contributed to the following results: First, the same efforts in upgrading and new manpower development were applied in the new and the old areas. Second, the managerial appointments in the new areas were made from the veteran organization to insure continuation of company philosophy. Third, the managers have been given sufficient time without home office pressures to do a sound building job within the cost limitation that has been agreed on. Fourth, recruiting has been done to fit the market. Fifth, other agency operations have been developed to supplement the standard career agency program.

Before the manpower program at Southwestern began the company operated exclusively in Texas. It now operates in 10 states and has 10 agencies outside Texas, for a total of 25 agencies. A study of four of the oldest agencies in which production wasn't as good as it should have been, resulted in the dividing of agencies in 1956 and the opening of four new ones. He said that they had lost the personal contact which is felt to be so important in the development of career agents. The effects of this division were outlined by Mr. Walk.

The combined ordinary production of the four in 1955 was \$54,256,494. The division was made in 1956. The ordinary production of the eight territories in 1957 was \$82,586,936. He explained that many projects were included in the upgrading of these agencies but that the reduction in size, which made possible closer supervision of the individual agent, was the greatest contributing factor to the overall success achieved.

The decision to make managerial appointments from the company has been adhered to, Mr. Walk said. As a consequence, these managers have applied Southwestern philosophy of recruiting, training, supervision, and personal relationship to their agents in the building of their agencies.

"We now have 10 scratch agencies," Mr. Walk said. "Two were opened in 1955, one in 1956, two in 1957, four in 1958 and one in 1959. To date the managers of these agencies have recruited and trained 56 career agents. The ordinary production of these agencies in 1959 amounted to 15.94% of the total ordinary production of the company for that year.

"The retention of recruits has been

very nearly as good as in our established agencies, and these things have been accomplished by managers in areas where they went as total strangers to represent a company no better known."

The speaker listed these reasons why Southwestern Life has been able to expand through scratch agencies while maintaining its record for recruit retention and individual production results.

—An expansion program which has bined the new with the old, thereby assuring the continuation of basic company policies, practices and philosophies.

—An expansion program which has been accepted and put into operation with determination and enthusiasm by everyone concerned.

—Complete confidence in the men selected to carry out the program.

—Selection of recruits by Southwestern trained managers.

—A sound financing program based on individual consideration.

—Superb training for every agent conducted by experienced field men and an outstanding home office training staff.

—Constant hand-in-hand, down-to-earth, individual guidance and counsel given to every agent by a Southwestern Life trained manager who is qualified for the job of management.

#### Donaldson Gives Pilot's Data

R. W. Donaldson, vice-president and manager of agencies of Pilot Life, said that while attending an LIAMA agency officers school he had been made even more acutely aware of the problem a company has, to recruit continuously just to stay even. He cited the LIAMA research report "What Happens When You Hire 100 Full Time Agents?" which points out that "each year you need to hire a number equal to approximately 40% of your field force in order to just maintain the size of your field organization."

As a result, his company set as a goal for 1960 a 130% increase over 1959 in the number of full-time men hired.

"In order to achieve this recruiting objective, for the first time we included recruiting full-time men as part of an agency's quota, as well as a minimum production from new full-time men hired," he said. "We tried to inspire and motivate our general agents to a bigger recruiting for 1960."

Another method undertaken by Pilot Life in attempting to meet this goal of a 130% recruiting increase was to open more new agencies. He said they realized that they could not achieve the desired result with the present number of agencies. The company's management training program was stepped up to turn out more field management personnel.

Mr. Donaldson said that in order to show an increase in production three things should be done: Substantially increase average production per man, substantially reduce turnover, and recruit more agents. Because the company wanted fast results it decided to concentrate on the increased recruiting even though it realized all three areas were important. The result of this decision was the setting up of the goal of a 130% increase for 1960. The company is making good progress and fully expects to meet this goal by the end of the year.

LIAMA's Career Analysis Procedures are also being used by Pilot Life to improve selection, upgrade present organization and reduce turnover and Mr. Donaldson believes the company is achieving good results.



When Woodmen Accident and Life Company recently entered upon its seventieth year, its philosophy and aspirations were restated by the President, E. J. Faulkner, in these words: "Ever since our Company was founded in 1890, it has sought to earn and deserve the reputation of being a good company with which to insure. We work to assure that *The Protecting Hand* emblem on our policies of life and health insurance is a hallmark of quality, like sterling on silver. For seven decades, the Company's guiding purpose has been to provide sound protection and reliable service at reasonable cost. That is our purpose today."

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E. J. Faulkner, President

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## Gerber Report Big Event Of NAIC Meeting

(CONTINUED FROM PAGE 1)

years), and it was a pleasure to him to see it reach the final stages in such an atmosphere of harmony.

There is a big attendance at New York. The reception Monday evening in the grand ballroom of the Commodore Hotel was about as crowded as it is possible to get an affair of this kind. At least 1,000 people were compressed into the room at the high point. For the socially inclined, there is a pretty good calendar, starting with a reception given Sunday evening by Colorado Life Convention in honor of Sam Beery of Colorado, president of NAIC; a testimonial dinner given by Allstate in honor of Henry S. Moser, its retiring senior vice-president; a reception and buffet luncheon given for commissioners by National Assn. of Insurance Agents; the annual luncheon meeting of the Passe Club Tuesday, and a variety of headquarters rooms maintained by companies, bureaus and associations.

### Some Lame Ducks

There are, of course, some lame duck commissioners here, many of whom NAIC will miss. Mr. Gerber heads this list because he has been as devoted a worker as the association has had in some time. William A. Sullivan of Washington, one of the most popular members in history, has filled out his application for Passe Club. Grubbs of Nebraska, another hard worker, fell under the election ax. In all, there are about a dozen commissioners taking farewell bows. Usually this is enough to call a halt to all progress. This loss from the ranks is used as a pretext for holding decisions over so that the new, uninformed commissioner may have a year to catch up to the point in the proceedings where the informed, departing commissioner left them. Happily, that does not seem to be the attitude this time.

### O'Mahoney Adds Incentive

The O'Mahoney investigation certainly adds an incentive to NAIC to maintain forward momentum. At the meeting of the examinations committee Tuesday morning an amendment was offered to the by-laws of NAIC dealing with the duties of the committee on examinations, it being explained that the amendment was a direct result of testimony at the O'Mahoney hearings. It would provide:

"With respect to any insurer which is authorized to transact business only in its state of domicile and only one other state, in the event that the consent of the commissioner of the company's home state is withheld, the commissioner of such other state or the commissioner of the state of domicile of any other insurer which has a reinsurance or any other kind of contract with such insurer may file a written statement of facts with the chairman and the vice-chairman of the committee on examinations. After investigation of said matter, which shall include giving to the commissioner who has withheld his consent to examination an opportunity to explain and justify his position, the committee on examinations shall furnish a copy of the statement of facts together with a copy of its report covering its investigation thereof, with its recommendations to all members of the association. The recommendations of the committee on examinations shall be submitted to the president of the association who shall call a special meeting of all members of the association and no order effectuating the recommendations of

the committee shall be entered in the record without full opportunity to any commissioner affected to be heard, nor unless approved by a majority of the members of the association."

Not all sessions have to be burdened down with serious, momentous matters. Bushnell of Arizona used the lighter touch to dispose of a recommendation of Holmes of Montana, mailed to members before the meeting, that convention examinations be abolished on grounds of excessive cost, and the responsibility for keeping track of companies be left to their states of domicile.

### Bushnell Suggests Boldness

Be bold if such a plan is to be adopted, Mr. Bushnell suggested. He recommended the addition of two pages to the annual statement which would allow space for filing four items of information—

1. Full face picture of all the officers of the company. This would allow the commissioner to tell if they are honest, or at least if they look honest.
2. Space for a specimen of the handwriting of the officers, each of whom would pledge to obey all laws governing the conduct of his company. A handwriting expert could analyze the character of the officers from this.
3. A list giving the birthday of each officer. An astrologer could be consulted on the significance here.
4. Analyses of blood and urine specimens should be included. A clue to character might be obtained.

### Examination Could Be Waived

If the company passes 100% on looks, handwriting, the stars and blood count, the triennial examination would be waived and only the home state would be responsible. A 50% score would call for examination by all states in which the company is licensed; 25% the same, with the addition of federal examiners, and zero, cancel the license.

More seriously, Mr. Bushnell commented that to follow Mr. Holmes' plan would break down the uniform standards that have been established at such trouble and expense. The value of an independent (state) authority in the examination would be lost; costs would increase because each state would want either to participate in the examination or conduct its own.

Rinehart of Alabama presided at the meeting of the subcommittee on organization, ownership and certification of insurance companies. He was unable to get any response out of the industry or department people attending this first session of the New York meeting.

### No Formal Agenda

There was no formal agenda, Mr. Rinehart explained, but he had a couple of points to bring up which he evidently thought, or hoped, would provoke some interest and discussion. One had to do with the language of the June, 1959, report of the subcommittee covering minimum capital and surplus requirements. Nobody stirred at Mr. Rinehart's comments, which were concluded with the observation that such requirements couldn't be too precise since they have to cover a variety of state situations.

How about a rule to have states accept any standard convention examination of the past 18 months for a company seeking admittance? No reaction. Well, Mr. Rinehart concluded, there is the problem, even if such a rule were established, that some states have to operate according to statute



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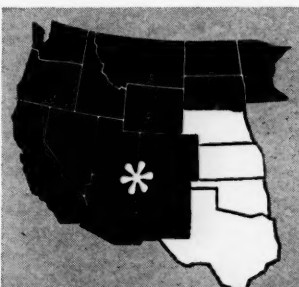
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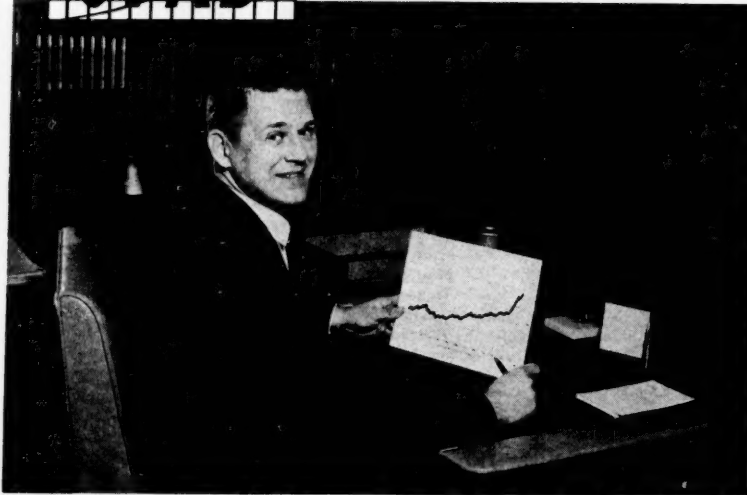
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and might not be able to get by with reliance on this examination alone.

Failing to get a single word out of those attending the meeting, though not from lack of trying, Mr. Rinehart adjourned the subcommittee into executive session.

Revisions of, additions to and editorial changes in the model credit life and credit A&H bill were explained at the meeting of the subcommittee on this subject by Chairman Joseph Gerber of Illinois. As in all the NAIC activities with which Mr. Gerber has been identified, this has been a working committee.

Quite a number of changes have been made. Mr. Gerber skimmed over them, reading the more important ones. Any areas of dispute had been handled previously in committee meetings, so this session at New York was more or less a recital of accomplishment. At the conclusion, F. Joseph O'Regan of Health Insurance Assn. complimented Mr. Gerber and his subcommittee for doing an effective job, even though not every industry suggestion had prevailed, and said his organization believes the bill in its present form should be approved by the subcommittee. This was seconded by Albert Pike of Life Insurance Assn.

Donald McNaughton of Prudential called attention to a problem he feels the group credit people will encounter in the requirement of showing policy amounts when they reduce and might cause insured to be confused. The policy should say the amount of insurance is the amount owed, he said. Mr. Gerber replied that this could be overcome with language following the amount explaining that it reduces with the loan.

Sidney Green of Maryland brought up a point on whether in paragraph 6B a word should be "and" or "or." This produced remarks from John Henry of Continental Casualty and John Cop-

page of Maryland, and the meeting went into executive session with this as its sole problem.

### Passe Club Meets, Membership Growing

(CONTINUED FROM PAGE 4)

bers, Mr. Maloney added. He divided them into two groups, those reasonably certain and those uncertain. The reasonably certain ones are Gerber of Illinois; Ashley of Indiana; Grubbs of Nebraska, and Roberts of Rhode Island. Not so certain are Timmons of Iowa; Whitney of Massachusetts; Magnusson of Minnesota, and Pearson of West Virginia.

Elections are the life blood of Passe, Mr. Maloney observed. They provide the main source of membership and they are watched with glee.

The formalities included introduction of Mr. Barry for a few remarks (in the form of Irish wit); presentation of a gavel to Mr. Beery, and a resounding hand for Mr. Foster, who is, Mr. Lloyd commented, "ending one of the great careers of modern insurance."

The piece de resistance of the program was the showing by Harry H. Fuller, midwest manager of National Bureau of Casualty Underwriters, of pictures taken of distinguished Passe members, past and present, at previous meetings. Mr. Fuller has been taking photographs at NAIC meetings as a hobby for many years. He has a file of negatives that includes nearly all of those who have attended the meetings for any length of time. His script included some appropriate commentary on the subjects thrown on the screen, and at the conclusion Mr. Fuller confessed that the author was Mr. Lloyd, who had wished not to get the credit, or blame, as the case may be.

### Tells Changing Concepts Of Inspection Reports

Changing concepts in the inspection business have shifted the emphasis from certain specifics to the type of person the risk is, said Carleton Z. Hanor, regional sales manager of Retail Credit Co., who described ways in which his company was attempting to meet these changes.

Speaking at the November meeting of Chicago Home Office Life Underwriters Assn., he said that a number of insurer requirements have diminished in importance while more emphasis is being placed on others. There is a reduced demand for information on occupation and duties of the risk because of the generally improved health and safety conditions in industry. The significance of the risk's financial worth has lessened in respect to small policies, and the attitude is that "everyone can carry \$5,000 or \$10,000 of insurance."

Mr. Hanor said insurers are becoming increasingly interested in the health, habits and reputation of their risks. They have also asked for reporting of reckless driving and hazardous sports. Increased medical fees have necessitated more precise health information and background.

In response to the logical question—what is the value of inspection reports?—Mr. Hanor's company has employed an actuarial firm to set up value studies and tables. "These findings," he reported, "can help any company establish the value of inspection reports in light of their experience and readily determine the break-off point at which expenditures and return from inspection reports balance."

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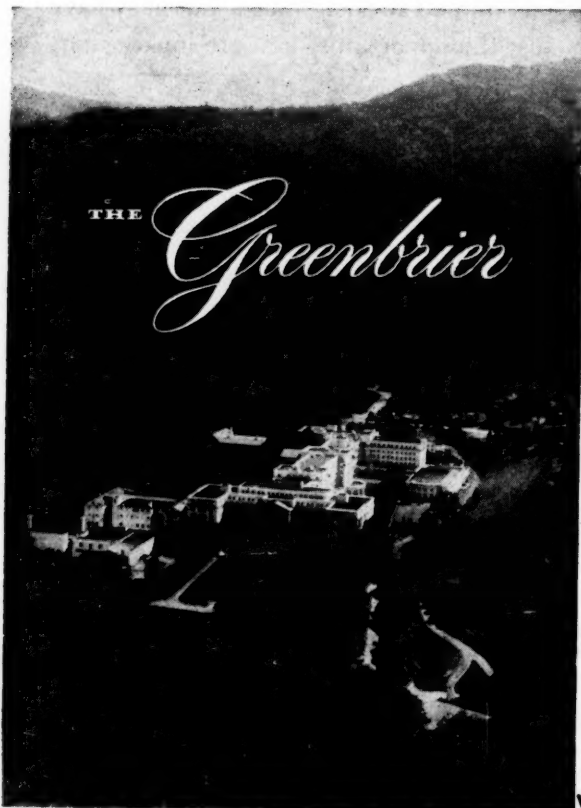
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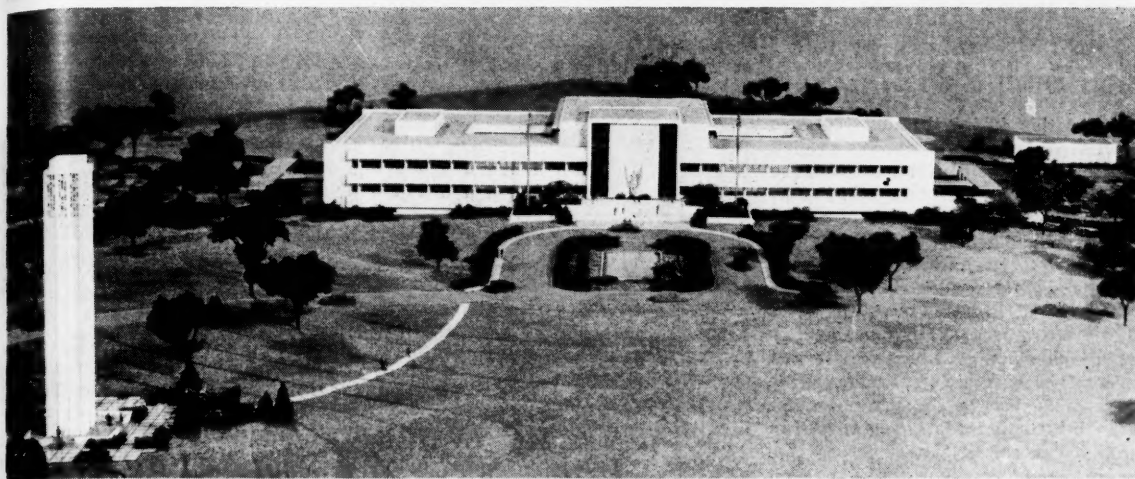
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## Model Of Union Central Life's New Home



The directors of Union Central Life have approved plans for the construction of a new home office building in Forest Park (see architect's model above). The building will be erected on the company's 190-acre tract on the northwest intersection of Mill and Waycross Roads. Work on the building will begin as soon as working drawings are completed and bids on construction have been taken, which probably will be by the summer of 1961.

The structure, horizontal in design and traditional in concept, will fit in with its rolling, rural setting. It will be 390 feet across the front and 170 feet deep. Two large planted interior courts will give occupants added natural light and a feeling of openness. In work areas, spanned columnless construction will provide flexible layout. A large computer room and ma-

chine room will permit the use of modern electronic equipment. Travel between floors will be by escalators.

A wing, 120 x 180 feet, will join the main structure at the southwest corner and will house such facilities as a cafeteria, dining rooms, meditation room, library, lounges and a recreation room which can be converted to an auditorium.

The latest modern heating, airconditioning and lighting equipment will be installed. The exterior will be mar-

ble with sunshades incorporated into the design to protect the work areas from excess sunlight.

A 120-foot lighted tower will be in the foreground, a symbol of the company's motto: "Shadows fall behind you when you walk toward the light."

The Union Central chimes will originate from the tower and will be connected by leased wire to the seven suburban stations now in use in Greater Cincinnati. A mirror pool will be in the entrance area and an artificial lake will be constructed near the rear of the building. The airconditioning cooling tower and a helicopter port will also be in this area. The tower and the building will be flood-lighted and thus visible from great distances both day and night, since the building site is one of the highest in the county. Parking areas will accommodate 400 cars.

## Conventions

- Dec. 12-13, Assn. of Life Insurance Counsel, annual, Waldorf-Astoria Hotel, New York.  
Dec. 13, Institute of Life Insurance, annual, Waldorf-Astoria Hotel, New York.  
Dec. 14-15, Life Insurance Assn., Waldorf-Astoria Hotel, New York.  
Dec. 28-30, American Assn. of University Teachers of Insurance, annual, St. Louis.

### 1961

- Jan. 9, International Federation of Commercial Travelers Insurance Organizations, midyear, Edgewater Beach Hotel, Chicago.  
Feb. 13-15, Health Insurance Assn., group insurance forum, Biltmore Hotel, New York City.  
Feb. 17-18, New York State General Agents & Managers Assn., annual, Gideon Putnam Hotel, Saratoga.  
April 13-15, Life Insurers Conference, annual, Americana Hotel, Bal Harbour, Fla.  
April 13-15, Home Office Life Underwriters Assn., annual, The Greenbrier, White Sulphur Springs, W. Va.  
May 8-10, Health Insurance Assn., annual, Biltmore Hotel, New York City.  
May 12, New York State Life Underwriters Assn., spring delegate meeting, Astor Hotel, New York City.  
May 14-17, Insurance Accounting & Statistical Assn., annual, Biltmore Hotel, Los Angeles.  
May 31, Fraternal Actuarial Assn., midyear, Royal York Hotel, Toronto, Ont., Canada.  
June 4-9, National Assn. of Insurance Commissioners, annual, Bellevue Stratford Hotel, Philadelphia.  
June 7, Actuarial Club of the Pacific States, annual, Ambassador Hotel, Los Angeles.  
June 12-14, International Assn. of A&H Underwriters, annual, Waldorf Astoria Hotel, New York City.  
July 27-29, National Assn. of Life Companies, annual, Sheraton-Charles Hotel, New Orleans.  
August 21-23, International Federation of Commercial Travelers Insurance Organizations, annual, La Fonda Hotel, Santa Fe.  
August 28-Sept. 1, National Insurance Assn., annual, Sheraton-Park Hotel, Washington, D. C.  
Sept. 17-20, International Claim Assn., annual, The Greenbrier, White Sulphur Springs, W. Va.  
Sept. 20-22, Life Insurance Advertisers Assn., annual, Sheraton-Dallas Hotel, Dallas.  
Sept. 24-29, National Assn. of Life Underwriters, annual, Denver Hilton Hotel, Denver.  
Sept. 25, Fraternal Actuarial Assn., annual, Netherland Hilton Hotel, Cincinnati.  
Sept. 25-27, Life Office Management Assn., annual, Shoreham Hotel, Washington, D. C.  
Sept. 25-27, National Fraternal Congress, annual, Netherland Hilton Hotel, Cincinnati.  
Oct. 9-13, American Life Convention, annual, Edgewater Beach Hotel, Chicago.

## Describes Pre-Induction Selection Methods To St. Louis Managers

Pre-induction selection methods which have benefited his agency were described by Durward F. Penrod, Metropolitan Life manager at Springfield, Ill., at the November meeting of St. Louis General Agents & Managers Assn.

Mr. Penrod, who is president of the Springfield general agents' association, said that pre-employment selection is a three-stage operation consisting of prospecting, recruiting and pre-employment training.

Recruiting through colleges is a year-round job, he said, and if the manager waits until the last minute, he'll "get what's left and that's not so good."

Mr. Penrod advised against recruiting athletic stars since they don't, as a rule, become successful agents on a long-run basis. He said he has found that, generally, the best men come through agents or other staff personnel already in his office. Another good course of action is that of writing top policyholders who may suggest recruits.

The new agent Mr. Penrod seeks is the man between 24 and 36. Younger men can be molded into the kind of operation the manager wants, while older men are too set in their ways, he explained. Once found, the prospect should study the agency operations before signing an agent's contract.

Commenting on the pre-employment education courses, Mr. Penrod said both class teaching and home assignments should be thoroughly organized and should be operating on a weeding-out principle from the beginning, since it is better for the recruit to "want out" before he comes to work.

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## Editorial Comment

### Last Chance To Beat The Forand Bill?

Forty-five state legislatures will convene early next year, and that means 45 opportunities for the insurance business to drive for enactment of provisions that will put into effect the Kerr-Frear act passed by Congress to give medical and hospital care to the great numbers of older people who are financially O. K. until they get smacked by an outsize medical or hospital bill.

If the insurance industry fails to do this, it will be passing up the best possible chance to head off the Forand type of aged-care legislation, to which so many, including President-elect Kennedy are committed.

The thinness of the Kennedy margin and the fact that Congress will be a little more conservative in makeup than the one that passed the Kerr-Frear bill last summer after junking Sen. Kennedy's Anderson bill should make the new president somewhat more cautious than if he had won by a landslide vote. Yet in all probability, Mr. Kennedy's message to Congress will include a new program of health care for the aged, probably a more cost-conscious version of the Forand approach.

He must do this because he committed himself to the Forand type of program in his campaign, and hence must demonstrate his good faith by seeking to put it through. He has the best chance of getting somewhere with it during the first 100 days of the new administration, when a new president still has patronage to dispense and hence has the greatest influence.

Working against Mr. Kennedy, however, will be the fact that the problem of medical care for the aged has not become suddenly more acute and therefore needful of quick, drastic measures by Congress. Moreover, not only will Congress be slightly more conservative in composition but its membership will be largely the same as the Congress that passed the Kerr-Frear bill. It seems hard to believe that the new Congress will be willing to junk this law so soon, without seeing whether it is workable.

If efforts to pass the Forand species

of legislation during the first 100 days of the new Congress can be headed off, it seems likely that there will be little serious threat of it again until the next biennial elections. This means there should be the time and the opportunity for health insurance people, whose efforts during the last congressional session contributed to the first setback for social security expansion since 1952, to work effectively for legislation implementing the Kerr-Frear law in the various states and then seeing that it is made an effective means of taking care of the many people 65 and over who can't meet steep medical bills.

For it must be remembered that there will be Forand-happy enthusiasts who will not only work against state enabling legislation but will, where such laws are enacted, do their best to sabotage their effectiveness so as to "prove" that the only realistic solution is passage of a national Forand-type law.

So these next sessions of the state legislatures may well be the last

chance that the insurance industry has to prove that there is another and better way than the unsound and hideously costly Forand approach. If the industry fails to unite and go all out for state enabling laws, the threat of a Forand bill will loom bigger and blacker and more potent than ever before.—R.G.E.

## Personals

**Robert C. McDermond**, vice-president College Life of Indianapolis, has been elected board president of the Little Red Door, a social service agency in that city.

**Cyrus Rachie**, Lutheran Brotherhood attorney, has been reappointed to a two-year term as councilor to National Lutheran Council, cooperative organization of eight Lutheran church bodies.

**Nate Kaufman**, general agent for Indianapolis at Shelbyville, Ind., has been presented with a plaque terming him "Mr. Shelbyville" in recognition of his assistance in behalf of the 12 agencies of the Shelby County United Fund.

**Blue Heather**, three-year-old mare owned by **H. P. Skoglund**, president of North American L. & C., took top honors in the Chicago International Quarter Horse show. The horse won the junior reining and western riding championships. Mr. Skoglund, who purchased the animal last year, raises cattle and horses as a hobby and owns a 60,000

acre ranch near Browning, Mont. He is shown at left receiving hand-tooled leather saddle as first prize from Thomas Mick, general superintendent of the exposition.

**Albert J. Schick**, senior training specialist of Prudential and **Louis Savarick**, supervisor in Metropolitan Life's field training division, were among the 30 part-time instructors honored by the Newark Extension Center of Rutgers University for "loyal and faithful service." Dean Ernest E. McMahon made the presentation at a dinner in Newark. Mr. Schick is a trustee of the Newark CLU chapter and Mr. Savarick is president of Metropolitan's home office CLU section.

**Howard C. Reeder**, president Continental Assurance, was featured on the financial page of the Chicago Tribune this week. In a by-lined story by the paper's financial editor, William Clark, the history of Mr. Reeder's business career and the growth of Continental Assurance were given in detail.

**Miss Liese Wisse** and **Carlyle M. Dunaway**, general counsel of National Assn. of Life Underwriters, were married at the Westminster Presbyterian Church, Alexandria, Va. The officiating clergyman was Executive Vice-president **Lester O. Schriver** of NALU, who was ordained a minister before he went into life insurance.

**Thomas R. Buchanan**, New York Life, Washington, D.C., gave the bride away and Mrs. Buchanan was matron of honor. Best man was **Robert A. Crichton** of Charleston, W. Va., who formerly was West Virginia insurance commissioner, American Life Convention Washington counsel, and president of Variable Annuity Life. Mrs. Dunaway was born in Hamburg, Germany, but came to this country as a child, living first in New York City and, for the last two years, in Washington.

**Horace W. Brower**, president Occidental Life of California, has been appointed to the board of National Junior Achievement, the business educational program for teenagers.

**Leffert Holz**, New York attorney and former superintendent of insurance, has been elected chairman of Lawyers Mortgage & Title Co.

## Deaths

**W. J. A. HARVEY**, 60, manager at Barrie, Ont., of Excelsior Life, died after a prolonged illness. In the business 28 years, he joined Excelsior in 1947 as manager at Barrie.

**VICTOR W. PFEIFFER**, 47, vice-president and actuary of American National of Galveston, actuary of Commonwealth Life & Accident, and a director of Public Savings Life, died at his home in Galveston of a heart attack. He joined the actuarial department of American National in 1939, was elected actuary in 1946 and vice-president and actuary in 1953. Mr. Pfeiffer was president of Texas Assn. of Actuaries in 1957, a member of the actuarial committee of Texas Life Convention, a member of its special committee on taxation and early in November had accompanied Texas Attorney General Wilson to Washington to appear before the Treasury Department concerning taxation of state and municipal bonds and related debentures.

**G. PRICE THOMSON**, 56, general manager and a director of Excelsior Life, died at Toronto. He joined the

## Stocks

By H. W. Cornelius of Bacon, Whipple & Co.  
135 S. La Salle St., Chicago, Nov. 29, 1960

	Bid	Asked
Aetna Life .....	84 1/2	86
American General .....	30 1/2	31 1/2
Beneficial Standard .....	15 1/2	16 1/2
Business Men's Assurance .....	39	40
Cal.-Western States .....	47 1/2	50
Commonwealth Life .....	19	20
Connecticut General .....	398	403
Continental Assurance .....	159	163
Franklin Life .....	68	70
Great Southern Life .....	68	70
Gulf Life .....	17 1/2	18 1/2
Jefferson Standard .....	43	44
Liberty National Life .....	58	60
Life & Casualty .....	16 1/2	17 1/2
Life of Virginia .....	53	55
Lincoln National Life .....	221	225
National L. & A. .....	106	108
North American, Ill. ....	13	14
Ohio State Life .....	36	38
Old Line Life .....	59	63
Old Republic Life .....	17	18 1/2
Republic National Life .....	33 1/2	34 1/2
Southland Life .....	81	83
Southwestern Life .....	48	50
Travelers .....	87	88
United, Ill. ....	33	34 1/2
U. S. Life .....	43	44
Washington National .....	42 1/2	46
Wisconsin National Life .....	28	30



## THE NATIONAL UNDERWRITER

The National Weekly Newspaper  
of Life and A&S Insurance



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company as a clerk in 1926 and rose to assistant actuary in 1937 and joint actuary two years later. He became assistant general manager in 1944 and has been general manager since 1953. Last month he was elected a director.

**R. ELLWOOD PRATT**, 67, treasurer and general manager of Travelers Health Association, died. He became a director of the organization in 1921 and served as treasurer and general manager since 1929. He was an authority on direct mail advertising and was a past president of International Federation of Commercial Travelers Insurance Organizations.

**ANDREW T. SCHULTZ**, 70, former general agent at Helena, Mont., of Western Life of St. Paul, died. He was president of Montana Assn. of Life Underwriters in 1942.

### Some Housing Cooperatives In N. Y. Can Qualify For Group Cover Eligibility

**NEW YORK**—The New York department has ruled that cooperative housing plans, under appropriate conditions, can establish the necessary debtor-creditor relationship required by the New York insurance law so as to be eligible for group life insurance. Heretofore the occupancy relationship between the housing cooperative entity and the apartment residents was not considered a permissive group relationship of debtors or vendees.

The department points out that this ruling does not eliminate any statutory or departmental requirement for group life policies.

**American Mutual Life of Des Moines** in October enjoyed a 35% gain in paid ordinary business over October, 1959.



**W. Howard Cox** (right), chairman of Union Central Life, presents gift from directors to former President **Jesse R. Clark Jr.** in honor of his 50 years on board. Mr. Clark joined company in 1906, became director in 1910, served as president four years and executive committee chairman six years.

### Mo. Department Aid Talks On Policyholder Relations

Public relations should be the goal in dealing with policyholders, said Nicholas Monaco, counsel of the Missouri department, who spoke at the November meeting of Kansas City Life, Accident, Health & Hospitalization Service Assn.

"A clerk can pay a claim, but it takes a person of managerial caliber to give the policyholder a proper explanation when coverage is not provided," Mr. Monaco declared. "The majority of misunderstandings can be attributed to incomplete explanations to the policyholder, but these can be resolved in the majority of the cases through a more complete explanation by the company or state insurance officials."

## Comments On The Insurance Field From The Investment Dealer's Chair

By **LEVERING CARTWRIGHT**

Cartwright, Valteau & Co., Board of Trade Building, Chicago

Insurance stocks ran into a fair breeze of wind last week and closed Friday with authority on the upside. Aggressive buying was evident. Interest centered in several of the leaders, but there was a spirit of search in the air for laggards that might be expected to participate in a forward move. Usually most issues respond in various degrees and at various stages to a move in either direction. Life stocks came to life and in general provided the leadership, but there were some positive performances among fire-casualty names, too, even in the face of apologetic third quarter underwriting results.

Connecticut General has been a standout in the market in recent weeks, giving hint of good news to come. The market was disturbed not in the least by the New York appellate decision that continues to bar its entry into fire-casualty underwriting. It was bid at an all-time high of 402 when the official announcement was made of the proposed 100% stock dividend and at that point some selling on good news developed and it went off a shade. This news inspired the whole list.

Franklin Life, which had been wanted on buyers terms earlier in the week, found increasing favor and went out Friday at 69 bid, up about 4 for the week. Lincoln National continued to be a better buy than a sale after recent weakness under liquidation. It edged higher and ended the week 221 bid.

Jefferson Standard which had made a four point advance the previous week, sagged early last week, but then commanded new buying and advanced again. For some months advances in the market of individual life stock have invited selling and improvement has been short lived. The present advance, however, seems to be more impressive and lends more confidence to investors than to scalpers.

Continental Casualty displayed even more muscles and after reaching a new all-time high, went out last week at 79 3/4 bid.

Continental Insurance was sparked by the dividend increase based on current and prospective outlook and reached 52, up better than 8 points from its recent low.

Fireman's Fund (known to insurance stock traders as Foo Foo) made the kind of a breakout on the upside that suggests the possibility of good news. It reached a bid of 53 1/2 which compares with a recent Donna-struck price of 47.

Springfield F.&M. (traders call it Springy) continued to move forward inch by inch and without intermediate setbacks, advancing to 33 1/2. This one might soon show marked improvement. It continues to gain investment respect, as it

is rated (by reason of its ownership of Monarch Life) as a life insurance operation with a good yield and yet with the discount enticement of many of the fire-casualty stocks. This is a merger that is working out advantageously. The Monarch Life people are proven money makers.

Hartford Fire moved up decisively and entered new high ground. Its closing bid Friday was 53. North America got out of the doldrums of the low 60s and climbed to 67 1/2. St. Paul edged ahead. Hartford Steam Boiler, sans Donna, surety, auto liability and workmen's compensation woes, had been in demand in recent weeks and closed Friday at 89 bid. This had been in the range of 74 or so earlier this year. It is a big owner of life insurance stocks including a large parcel of Conn. General.

Crum & Forster was strong, with 72 being bid for stock Friday.

American Motorists was wanted and hard to buy and went to 17 1/2 bid. This compares with a recent low of 13 3/4.

Transamerica was up 2 1/2 points from its recent low. There were buyers around for Kansas City Life with no stock showing. There was a nominal offering price of 1265.

National Old Line of Little Rock, which has become something of a glamor issue with stock brokers that are always trying to divine another Franklin or Continental Assurance, in the last two weeks or so shot up from 12 to 16. Value Line Investment Survey which has such an extensive following whetted the appetite for this with an exceptionally strong send off.

U. S. Life was up 4 points or so. So was United of Chicago.

This latest spurt overcame doubts that had been possessing professionals as to the effect of deteriorating fire-casualty earnings. Several cash dividend increases and stock dividends that had been tentatively decided upon were suspended. The National Board report of a 30% increase in fire losses for October was a blue note earlier last week. Individual companies had noted this and ran a spot check in their own offices. They said their October experience doesn't seem to reflect this.

Mass. Bonding got up to 39 1/2 bid after having sunk to 33 1/2 when the Hanover merger talks were discontinued.

*Standard Accident ran up six points on the announcement of Fireman's Fund beckoning. The latter stock eased. Hartford Fire sold up to \$65. Government Employees issues were exceptionally strong. National Union moved up. Springfield went into new high ground. Lamar Life was bid \$36, up four points. Continental Casualty got into the \$80 range. Jefferson Standard encountered selling and backed off three. New Amsterdam advanced two points to \$56 bid.*

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The Commercial & Financial Chronicle in its Nov. 24 issue had a study of Home Insurance with particular reference to its competition with Security Insurance for the acquisition of New Amsterdam Casualty. The improved trend in the expense ratio is commended. Since both Home and Security are weighted more heavily on property underwriting lines either will obtain a better diversification of business from an acquisition of NAC whose casualty lines comprise 80% of its book of business.

Government Employees Insurance and Government Employees Life were considerably higher and offerings were scarce.

American Life & Casualty of Fargo and Old National of Houston finally cleared all the hurdles in their affiliation program. Offers went out to stockholders of each company to exchange their stock on the basis of 1 1/4 shares of American Life Companies, for each share of the North Dakota and Texas companies. Stock of the holding company will probably have a market of about 9. Lehman Brothers has taken an interest here and some of the Lehman partners own preferred stock, with conversion privileges, in American Life Companies.

Commonwealth Fund Trust Plans A & B of Boston added 1,800 shares of National Fire and now have 1,300 shares of Continental Casualty. Eaton & Howard Stock Fund increased its holdings of Hartford Fire from 17,000 to 20,000 shares. De Vegh Investing Co. added 1,000 shares of Aetna Life and 5,000 U.S.F.&G. Pine Street Fund added 2,000 shares of U.S.F.&G. and now has 7,000. United Corporation invested in 500 shares of Conn. General.

— || | —

A recent listing of the bid prices of some 175 insurance stocks elicited a question from J. Mac Thompson, president of Liberty Insurance of Fort Worth. The bid price of his company was shown at 4 1/2. He said that recent trades have been above 7 and that the book value of the stock at Sept. 30 exceeded \$13. The bid price of 4 1/2 was what appeared in the National Daily Quotation Service in behalf of a single broker. On some of the inactive issues in which only a single dealer is showing an interest and that in the form exclusively of a bid with no offering price noted, such actual trades as there are may be at a figure higher than the bid.

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Securities now in SEC registration include shares of American Heritage Life, American Income Life of Texas, California Life, Investors Preferred Life of Arkansas, Mid-America Life, Oklahoma, National Western Life, Denver, and Preferred Risk Life, Arkansas.

Ohio seems to have become the current field for promoting new life insurance ventures. Stock sales are being conducted in several new names and others are in the offing.

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One of the important investment advisory services on November 28, 1960, under the caption, "The Most Attractive Fire and Casualty Insurance Stocks," states that shares of ably managed companies are attractive holdings now. They say Continental Casualty, General America and North America never seem cheap but have had steady gains in dividends and market value. They may be bought for long-term investment. Western Casualty and Surety has had a superior record and is also worth buying. Issues that may be bought for income and more moderate appreciation are Continental Insurance, Reliance and Springfield F.&M. Companies that are selling at high yields reflect a lack of progress in earnings and dividends. They sell at a large discount from book value, but this is no assurance of appreciation.

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A few branch manager appointments available now. Write giving full particulars—age, education, family status, experience, etc. Willingness to relocate important. Must be able to stand thorough reference investigation. All replies in strict confidence.

Write Box U-79, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

## HOME OFFICE LIFE SALES MANAGER

New England company with national A&S reputation wants qualified life man to assume responsibility for supervising expanding life sales. Salary open and based upon experience. Must have recent successful sales record plus some management experience. Write Box V-1, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

### PENSION TRUST— ADVANCED UNDERWRITING

Large midwestern life insurance company needs an experienced man to handle pension trust and advanced underwriting responsibilities as member of agency department.

Must be able to conduct schools, develop promotional material, handle correspondence and at times render field assistance.

Please send complete biographical data and recent photograph to Box U-73, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

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10 years top-company agency director available for first sales position with good life or life-A&H company, or consider presidency. Excellent health. Nationally known. Top salary or stock opportunity. Write Box U-94, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

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Large established General Agency of an Eastern Life Insurance Company located in Los Angeles seeks an administrative type person to supervise growing Pension Trust Department.

Duties and responsibilities would include assistance to established producers in the design and installation of pension and insured profit sharing plans and in the administration of both new and existing plans.

This position affords a challenging opportunity in this rapidly expanding specialized field.

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Wanted by Mid-West company with substantial amount of Group Life and A&H in force and plans for expansion. Fellow of Society preferred, but Associate intent on completing examinations can qualify. Salary open. Write in confidence to:

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INSURANCE MANAGEMENT CONSULTANT  
6711 E. Ocean Blvd., Long Beach 3, Calif.

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### Superintendent or Regional Director

Capable and experienced in all phases of life insurance selling and management and desiring a change. Have had successful experience in sale of ordinary, S&A and group; built two successful agencies for a large mutual company; successful record as Superintendent of Agencies in the recruiting, training and supervision of Branch managers. Write Box U-97, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

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Key executive available for regional life agency post, direct recruiting and sales. Outstanding record nationally. Now available. Write Box U-93, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

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### \$175,000 PREMIUM, A & H (HOSPITAL) INCOME FOR SALE

Sound policies, well underwritten. Very low loss-ratio. Territorial rearrangement only makes this valuable Southern State business available.

**T. C. V. SEDGWICK COMPANY**  
Insurance Co. Mergers

3100 McKinney Dallas, Texas

## 150 At Sales Congress Of Austin Agents' Assn.

Five speakers and a panel on selling methods attracted 150 agents to the sales congress of Austin (Tex.) Assn. of Life Underwriters.

Theme of the talk by James C. Bradford, New York Life, Norfolk, Neb., was "I Am My Brother's Keeper." He suggested that the agent regard his prospect as a brother to whom he is obligated just as much as he would be to his own brother.

Ivan R. Brown, Guardian Life, Houston, enumerated the rewards for agents: Master of one's own ship; freedom to select clients; choice of market; and pride in accomplishments. Replying to a question on using health insurance in prospecting, he said that 10 people are interested in health coverage for every one interested in life insurance. This is because they can visualize themselves more easily in a hospital than in a mortuary.

The luncheon speaker was Louie E. Throgmorton, vice-president of public service Republic National Life. His advice was, "Repeat questions. Make it easy for the prospect to buy. Suggest, never dominate. No cow has ever given milk, you take it from her."

Promotion makes the difference, according to Rev. Charles Welborn, Baptist minister of Waco. Not one person in a thousand knows a good thing when he sees it and most great innovations and inventions met with opposition at first. He cited initial resistance to the postage stamp when one English surgeon asserted that licking the stamps would cause throat cancer.

"Do not be afraid to tell your story over and over," Rev. Welborn advised his listeners. "This is basic in promotion. It is the psychology of repetition." He cited the effectiveness of repetition in the case of one A. Hitler, who told his lie so many times that an intelligent nation accepted it.

The direct approach in requesting an interview was emphasized by George J. McArdle, director of education and sales training, All American L&C Life insurance, he said, is the one thing the agent has to sell and he should not use a subterfuge under the guise of being a specialist in other fields.

A panel of Austin agents related their recipes for success. They were Thomas Murray, Southland Life; Patrick Pavone, New York Life; Ricardo Gonzales, National L&A; Jake Turner, Southwestern Life; J. Scranton Peavey, Massachusetts Mutual; John L. Murtha, American General Life; Glen Larson, Prudential; and Eldon Newton, Great National Life.

**ACTUARY WANTED**—Opening for a Fellow of the Actuarial Society. Middle West location with a highly successful firm of Actuaries and Employee Benefit Consultants. Profit-Sharing, Pension and all Fringe Benefits. Also a chance to acquire part-ownership in Company. Experience in this field unnecessary. Applicant must not be over age 40. Reply to Box U-21, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

### DIRECTOR OF AGENCIES

Strong recruiting background. Major expansion program in newly chartered life company.

Age 28 to 35 preferred—will consider to age 40 with certain background. Send resume.

Must seriously want growth and good future with aggressive, well managed company. Reply to P.O. Box 61, Grand Junction, Colo.





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**WHY SHOULD YOU own business insurance, you ask, and wherein is it different from personal insurance to the man who owns and operates his own business?**

Well, sir, I'll tell you.

You have here a splendid and flourishing printing business. It affords you and your family a handsome living: ten thousand dollars a year, perhaps, or twenty thousand, or fifty thousand. Because it produces such a substantial sum each year, and because your business is manifestly of considerable value, you naturally and rightly consider it to be a piece of property which plays a large part in your total estate, and which would provide adequately for your family when you are no longer here.

Now, sir, let us examine for a moment that supposition . . . the supposition that this business will be a means of support for your family in event of your death.

Perhaps it will . . . although the experience of thousands of others says that if it is to do so, it must be larger and stronger and more deeply rooted than one-man businesses are prone to be. But this in any case we may say with confidence: *However strong and profitable your business is today, its earning power will surely be far less for your family after your death than it is for you today.*

Why? Because, sir, some of the income you take out of your business each month and each year represents *the earnings of the business—and more of what you take represents the earnings of YOU, yourself.*

**HERE YOU HAVE** a building worth so many thousands of dollars. Here is your big speed press, worth so much; here your smaller presses, your cutter, here your collating and binding equipment, here your inventory of paper and metal, here your delivery trucks. Altogether they are worth a hundred thousand dollars, two hundred thousand, or half a million, as the case may be.

Now when you take, shall we say, fifteen thousand dollars a year out of a business with a hundred thousand dollars' worth of equipment, you may rightly consider that *your business* is producing \$6,000 per year (since money is worth at the most six per cent) and *you* are earning \$9,000 per year. If you are taking home twenty-five or thirty thousand from a business with two hundred thousand in machinery and buildings and inventory, then *the business* may be said to be earning \$12,000, and *your earnings* are the other \$13,000 or \$18,000. (*Wouldn't you expect some other printer to pay you that much for your full time and energies?*)

**IT IS YOUR BRAINS,** your hands, your skills, your standing with the banks, your prestige with your customers, your know-how, your credit with your suppliers, your drive and energy and hard work, which takes a collection of buildings and machinery and trucks and combines them into an income-producing machine which appears to yield 15% or 20% on invested capital. The invested capital is still worth no more than five or six per cent, and the difference is *you*.

And when you die, that difference dies—a very large portion of your business dies. That is why your business should insure you for a substantial sum—so that *the very same event which will so greatly diminish the value of your business will bring new money into the business*, to ease the shock and to minimize the shrinkage in value from which there is no escape.

**YOU HAVE FIRE INSURANCE** on this building so that if it should burn, the same event which destroys some of the value of your business will replace most of that lost value. You have liability insurance on your delivery trucks so that if a judgment for \$50,000 growing out of an automobile accident should take that staggering sum out of your business, the same event which created the loss would also create new money to offset the loss, at least in part.

The fact is that if your building burns, a part of your business burns down. If a truck is demolished in a crash, or stolen, a part of your business is destroyed or lost. And if *you* burn down, a considerable part of your business dies when you die.

*What we propose to insure is the brains, the talent, the energy, the know-how, which makes six-per-cent money pay 20% . . . and which cannot escape the uncertainties of life.*

**BUT WHY CAN'T YOU DEDUCT** the premiums for tax purposes, as you deduct your fire insurance premiums, you ask. For the same reason that you can't deduct from taxable income the money you take out of your checking account and put into your savings account, or "spend" for bonds. Your investment in life insurance is so largely saved, not spent, that Uncle Sam rightly considers that you have merely made an investment, so there is no tax consequence when you pay a premium.

*But the proceeds of your life insurance policy will be tax-free income, because Uncle Sam recognizes that those dollars are not profit, but merely partial indemnification for loss sustained by the business at your death.*

**AND, YOU ASK,** why can't your family plan to employ a manager who will run the business and cause it to continue to pay a handsome income to them?

The answer is a crushing one. The answer is—*because a man capable of running the business as well as you have run it (or anywhere nearly as well) won't long be willing to pay your family 15% or 20% rental for a hundred thousand dollars when he can rent those dollars on the open market for six per cent, give or take a point or two!* The answer is—because the man who replaces you will want and demand the dollars which have heretofore been paid to *you* for your talents and time and energy, so those dollars won't be available to your family.

**SIR, LET'S FACE IT.** One minute after your death, your business will be worth many thousands of dollars less than it was worth one minute before . . . because when you die a large part of your business dies. We can't insure that you will live . . . just as fire insurance can't guarantee that this building will never burn . . . but we *can* guarantee that in event of your death we will pay indemnity dollars into the business to compensate it in some part for the loss of your abilities.

And a very happy aspect of the whole deal is that if you live a long time, so we don't have occasion to pay any death-claim dollars into your business—an outcome which would be pleasing to you and pleasing to us!—then, when you are ready for retirement, we will be so happy that you are still alive (and thus haven't obliged us to pay a big death claim!) that we'll give you most or all your money back!!

*How many dollars, sir, should be paid into your business the day after your death to make it worth ALMOST as much as it was worth the day before your death?*

Best wishes,

American General Life Insurance Co.  
Houston, Texas

Knight's Life Insurance Company  
Pittsburgh, Pa. Lincoln, Nebr.

The Home State Life Insurance Company  
Oklahoma City, Oklahoma

Hawaiian Life Insurance Company, Ltd.  
Honolulu, Hawaii

# The EQUITABLE LIFE OF PETER THOMPSON in Los Angeles



**Peter Thompson, CLU**, and his wife Ruth, spent their 36th wedding anniversary in Hawaii this year—and awaited the arrival of their fifth grandchild. The matching trio are daughter Carolyn, granddaughter Mary Christina, and son-

in-law John R. Stephenson, M.D. Another daughter, with three children, is married to a nuclear physicist. Peter, of the Klove Agency, is president of Equitable's CLU Association, and past president of the Group Millionaires' Club.



**He devotes** much time to welfare activities as a member of the Board of Governors of the Welfare Federation of L.A., which handles Community Chest funds for 171 social agencies.

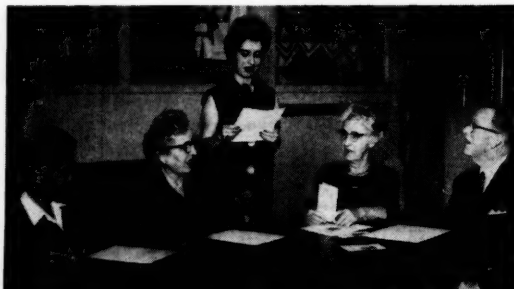


**Has helped** the Lark Ellen Home for Boys as a Board member for many years. Here he discusses expansion plans with heads of the Home—which provides full-time care to boys from broken homes.



**Also is a trustee** for The Barlow Sanatorium Association, for TB patients with limited funds. Here he tells Dr. Howard Bosworth, head of Barlow, that additional funds are coming.

**Danish-born Peter** is Vice President of the International Institute of Los Angeles, which helps foreign newcomers get on their feet. Bilingual case workers provide for group activities, health and language needs.



**He's president** of Life Insurance and Trust Council of L.A., consisting of Trust Officers and Life Underwriters. Ron Stever (left) and W. L. Bradway (right) are also Equitable Million Dollar producers.



Tune in The Equitable's Our American Heritage, Friday, January 13, NBC-TV.

**A Man's Prestige** somehow goes hand in hand with the prestige of the company he represents. This is why Peter is proud to be a life underwriter for Equitable. It is a full life. And a rewarding one. **Living Insurance is more than a need... it's a career!**

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of the United States

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